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# Adrift Amid Good Intentions

## Mayor, UNESCO Leader, Is Hobbled by M'Bow Legacy

By Barry James
*International Herald Tribune*

PARIS — Despite new management, UNESCO seems far from recovery.

Some staff members and outside observers say they have rarely felt such demoralization and drift, even during the regime of Amadou Mahtar M'Bow of Senegal, the much criticized and autocratic previous director-general of the United Nations Educational, Scientific and Cultural Organization.

His successor, Federico Mayor Zaragoza, who came to office amid high hopes 21 months ago, contends that the 159-nation organization is slowly becoming better managed and more pragmatic, as the United States demanded when it walked out at the end of 1984. UNESCO "is responding" to new direction, he said, "despite all the obstacles to change that exist."

But diplomats and administrators said that the United States, Britain and Singapore, all of which left UNESCO to protest what they saw as Mr. M'Bow's anti-democratic and spendthrift policies, are in no hurry to rejoin because they have yet to see clear evidence that the organization has really reformed.

Mr. Mayor acknowledged he has been unable to achieve all the management changes and decentralization he wants. "It is a step-by-step process," he said.

Few who meet him fail to come away charmed by Mr. Mayor, a suave Catalan biochemist, former university professor and former Spanish education minister whose candidacy for the director-general's job was supported by 100 Nobel Prize winners.

"Federico Mayor is a nice man basically, but he is a living example of the adage that the way to hell is paved with good intentions," said Dragoljub Najman of Yugoslavia, a former assistant director-general for external relations, who left the organization in 1986 in a dispute with Mr. M'Bow.

While conceding that Mr. Mayor talks of bringing the organization greater freedom, efficiency and decentralization, Mr. Najman said the director-general's management is "catastrophic" and his political skills are weak. He said that UNESCO resources are scattered among 180 under-funded, under-staffed and inefficient programs. One diplomat said UNESCO's record on implementing projects is "simply appalling."

Alan Hancock of Britain, director of UNESCO's communications division, credited Mr. Mayor, however, with bringing freedom and greater democracy to the organization.

But complaints are rife among staff members. Said one: "Mr. Mayor is a nice person. He listens a lot. But the atmosphere is worse. It is not producing anything. There are so few competent people." Mr. Mayor himself criticized aides who lack initiative. "I don't need robots, he said, "I need people who can take decisions."

Staffers and outside observers said that Mr. Mayor has failed to bring about fundamental changes because he has failed to remove M'Bow appointees held to be responsible for the organization's decline.

The education section still is largely in the hands of Soviet bloc bureaucrats, who retain a permanent grip on many key appointments.

A Congolese politician who once headed a military tribunal that ordered executions is the assistant director-general in charge of culture and information; he was placed there by Mr. M'Bow.

A former official in the Jaruzelski regime in Poland has been appointed director of UNESCO's human rights and peace division.

Critics said that Mr. Mayor travels constantly, that he virtually ignores the staff and had commissioned lavish office renovation and a peace conference in the Ivory Coast that reportedly cost UNESCO $140,000. Secretariat members are particularly critical of his policy of using outside consultants, of whom there are at least 32 on the payroll — including a former Ghanaian diplomat whose job is to woo the United States and Britain back into UNESCO but whom the British government declines to recognize.

"Sometimes I am accused of having a lot of consultants," Mr. Mayor said, "and I will have them. My intention is for UNESCO to have the best brains available in order to provide humanity with the best thinkers, and this is the way I think we are heading."

Asked for his assessment of what he had accomplished, Mr. Mayor replied, "Freedom. Transparence. Decentralization. Delegation of authority, but not of responsibility. I

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Victor Vanchestar/The Associated Press
Federico Mayor Zaragoza, the UNESCO director-general.

Bob Daugherty/The Associated Press
President George Bush, left, with Defense Secretary Dick Cheney at a ceremony in Fort Myer, Virginia, marking the 200th anniversary of the War Department, the predecessor of the Department of Defense. Mr. Bush, in remarks at the ceremony, saluted Lieutenant Colonel William R. Higgins.

# *Public Offer, Private Talk: Long Road For Hostages*

By Don Oberdorfer
*Washington Post Service*

WASHINGTON — The hostage-related offers, rejections and demands from various Middle East nations and factions are only the beginning of what is likely to be a lengthy process of public posturing and private discussion on the issue, according to administration officials.

An official who has been closely watching the rapid-fire developments said it would be a mistake to expect a quick resolution of the long-running travail of Western hostages in Lebanon, although some statements from Tehran, Damascus and Beirut seem to offer new possibilities for a negotiated settlement.

"The fact is, the bazaar is open, and the various parties are talking about offers, counterproposals," Richard W. Murphy, the State Department's top Middle East official in the last five years of the Reagan administration, said Sunday on a television interview.

Mr. Murphy's views on the current state of bargaining among Israel, Iran, Syria and various factions in Lebanon were parallel to those of knowledgeable officials of the Bush administration.

An administration source said, for instance, that Iran's announcement Saturday that it had "rejected" a U.S. diplomatic note about the hostages referred to a message sent to Tehran through the Swiss government on July 31, four days before President Hashemi Rafsanjani publicly declared his willingness to help resolve the hostage situation.

The U.S. diplomatic note, described as a "strong" one by White House officials last week, made clear that Iran would be held responsible if additional U.S. hostages were harmed or put to death by pro-Iranian groups in Lebanon. In response, the Iranians asserted at one point that they knew nothing of the Organization of the Oppressed on Earth, the group that claimed responsibility for the al-

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# New Voice For Iran's Old Line

## *Interior Minister Sounds Familiar Anti-U.S. Appeal*

*Reuters*

NICOSIA — Iran's interior minister, Ali Akhbar Mohtashemi, has called for an anti-American offensive, Tehran Radio said Monday.

In his appeal, made at the grave of Ayatollah Ruhollah Khomeini, Mr. Mohtashemi took a far harder line towards Washington than has the new president, Hashemi Rafsanjani.

His speech was the strongest indication since Mr. Rafsanjani was elected last month of the depth of anti-American feeling among some key figures in Tehran.

Iranian analysts in the Gulf say Mr. Rafsanjani may purge Mr. Mohtashemi when he names a new cabinet this month. Sources in Tehran said there were stormy meetings last weekend over the new cabinet's composition.

Mr. Mohtashemi said that thousands of Shiites were ready to die to bring down the superpowers and that a softening of Ayatollah Khomeini's anti-American crusade would lead to Iran's enslavement.

The ayatollah "always attacked," Mr. Mohtashemi said. "He always had an offensive posture towards the United States." His speech was broadcast Monday on Tehran Radio.

He did not mention Mr. Rafsanjani's offer on Friday, welcomed by Washington, to cooperate with the United States to resolve the Lebanese crisis and to free the hostages held there.

Mr. Mohtashemi, 43, who lost three fingers when a parcel bomb exploded in his hands in 1984, is widely admired among the Shiite groups holding U.S. hostages in Lebanon.

He said Shiites should be ready to shed their blood against the United States.

Mr. Mohtashemi stood out among Iranian leaders last week by calling for harsh reprisals in response to Israel's kidnapping of Sheikh Abdel Karim Obeid, a leader of the pro-Iranian Hezbollah movement in south Lebanon.

Hezbollah, or Party of God, is believed to be behind the kidnapping of many of the 18 Western hostages believed held in Lebanon.

### ■ UN Envoy Urges Patience

*Nora Boustany of The Washington Post reported from Beirut:*

A United Nations envoy, Marrack Goulding, described the hostage crisis as "complex and thorny" and said it would require a long process of quiet and patient diplomacy.

Mr. Goulding arrived from Damascus on Monday morning for talks with the leading spiritual guide of Lebanon's Shiite fundamentalists, Sheikh Mohammed Hussein Fadlallah, and the Lebanese acting prime minister, Salim Hoss.

Asked if he was optimistic about the foreign hostages, whose fate again became a focus of international concern following the Israeli capture of Sheikh Obeid and the death of William R. Higgins, a U.S. Marine Corps lieutenant colonel, Mr. Goulding said he had learned not to use the word "optimistic."

Mr. Goulding said that the hostage issue was "complex and thorny." He said it involved "many

See IRAN, Page 2

## Kiosk

### U.S. Lawmaker Lost in Africa

WASHINGTON (AP) — A plane carrying Representative Mickey Leland failed to arrive at a refugee camp near the Ethiopia-Sudan border Monday, the State Department said.

"We are concerned about the welfare of Mr. Leland and his group," a spokesman said. The U.S. Embassy in Addis Ababa is trying to locate the plane. An official said the Leland group consisted of two congressional staffers and five State Department employees.

AP
Will an American getting big money to shoot baskets in Rome succumb to pasta and Frascati? Page 15.

**General News**
Central American presidents have agreed on a plan to disband the contras, the Nicaraguan rebels. Page 2.

**Business/Finance**
Two former Merril Lynch employees and a New York lawyer were charged with illegal trading. Page 9.

*Crossword* Page 7.

| Dow Close | The Dollar in New York | |
|---|---|---|
| | DM | 1.9165 |
| | Pound | 1.5985 |
| Up 41.54 | Yen | 140.10 |
| | FF | 6.4845 |

# Walesa Calls for Formation of a Non-Communist Coalition

By John Tagliabue
*New York Times Service*

WARSAW — Solidarity on Monday mounted a renewed effort to oust newly elected Prime Minister Czeslaw Kiszczak by appealing to the small parties that support the Communist-led parliamentary bloc to swing their allegiance to an anti-Communist coalition.

Solidarity seems to believe it can still persuade the Peasant and Democratic parties, whose loyalty to the Communists has been wavering, to withdraw support from General Kiszczak and back a Solidarity nominee for prime minister.

Lech Walesa, the Solidarity leader, said that efforts by General Kiszczak to assemble a Communist-led council of ministers, the executive arm of government, "exacerbated the crisis of confidence and has reaffirmed society's fears that essentially nothing has changed, that hope for the future is nonexistent."

The attack on the Communists appeared to reflect growing concern in the Solidarity leadership that large segments of Polish society may be drifting from the union movement's grip, as witnessed by a growing ripple of labor unrest sweeping Poland in the wake of sharp food price increases within the last week.

The increases, of 300 to 500 percent for some foodstuffs, are the result of a government decision implemented last week to end food price controls.

Solidarity negotiators met in Warsaw on Monday with delegates from Communist labor unions, state transportation authorities and representatives of striking transport workers from around the country to try to avert a general transport strike.

Sporadic wildcat strikes have recently crippled train and bus service in several cities, most notably in heavily industrialized Silesia in southern Poland.

The talks broke up inconclusively Monday night. Solidarity observers said that failure to meet the workers' demands for more pay and better working conditions could spark a general strike of state transport and postal workers that would stagger rail and bus traffic and further reduce already erratic telephone and postal service.

Mr. Walesa's remarks came two days after Solidarity's senior parliamentary leaders definitively turned down an offer by General Kiszczak that Solidarity enter the cabinet.

# Takeover Move Boosts Stock of United Airlines

*Compiled by Our Staff From Dispatches*

CHICAGO — Stock in UAL Corp. soared $46.50 a share, to $211, on Monday, as it apparently became the latest U.S. airline to be a takeover target.

The parent of United Airlines said the investor Marvin Davis, who in March began a bidding contest for the owner of Northwest Airlines, made what UAL called an unsolicited and conditional offer to acquire it.

Terms of the bid were not released, but a Wall Street source said Mr. Davis offered more than $200 a share, or a total of $4.3 billion.

A spokesman for Mr. Davis refused to discuss the reported proposal. "Mr. Davis is not making any comment at this time," said Jim Fingeroth, the spokesman.

UAL said its board would meet on Wednesday to discuss the offer from Mr. Davis, a former independent oilman.

Not only did stock in UAL soar, but it pulled the Dow Jones transportation average up a record 94.06 points, to 1,344.06.

Saul Steinberg, a New York investor, currently holds a 6.9 percent stake in UAL, and the Texas investor Robert M. Bass is said to have bought a 2 percent to 3 percent interest in UAL. Mr. Davis apparently has less than 5 percent.

In March, Mr. Davis began the bidding for NWA Inc., the parent of Northwest, with an offer of $2.7 billion. The company was eventually acquired for $3.64 billion by investors led by Alfred Checchi of Los Angeles. After the NWA deal was settled, speculation turned to UAL.

Analysts valued the company at $220 to $335 a share.

UAL has faced turbulent skies in

See UAL, Page 11

Surging transportation issues helped push Wall Street stocks sharply higher. Page 9.

# *Outside Beijing, Capitalism Rates High*

By Nicholas D. Kristof
*New York Times Service*

XIAMEN, China — The young moneychanger beamed at the sight of a foreigner on the street of this bustling coastal trading center, and excitedly quoted his black-market exchange rates for United States dollars and Taiwan dollars.

"But that would be bourgeois liberalism," the foreigner scolded, referring to the present national campaign to eradicate capitalist and Western vices.

"Never mind," the black marketeer said, not at all concerned. "I'll give you a very, very good rate."

That seems to be the attitude of many people in China's highly developed coastal areas: ignore the political polemics and upheaval elsewhere and concentrate on making money.

The powerful local bureaucracies are paying lip service to the policies of the central government, but little else seems to have changed.

There seems to have been an informal agreement. The people here will not bother the central government if the central government will not stop them from making money.

Put another way, the people will pay homage to communism if the party will let them indulge in small-scale capitalism.

These areas may come the closest in China to reflecting the bottom line of what Deng Xiaoping, China's senior leader, apparently aims for, a combination of rapid economic development and political acquiescence.

Very few foreign diplomats or scholars believe that China can reconcile for very long

**'The people will not bother the central government if the central government will let them make money.'**

continued openness and development with continued political repression, but the experience here suggests that at least for the short term and at least in some areas such an arrangement is possible.

These fertile fields and vibrant boom towns are the door frame of China's open-door policy. Here in Fujian Province, the strip of the Chinese mainland facing Taiwan, families watch Taiwanese television programs and sometimes run businesses for their wealthy relatives who live in Taiwan.

Farther south, in Guangdong Province, everyone tunes to Hong Kong television and more than 2 million people work directly or indirectly for Hong Kong companies.

But while Fujian and Guangdong have been the most subject to foreign influences, they were among the quietest during the student unrest in April and May.

There were a few student demonstrations, but most people were far more concerned with the pulse of commerce than political demonstrations.

"We don't understand politics," said Ding Jinxiong, 26, owner of a shop that sells motorcycles in a town in the center of the Fujian coast. "What we want and care about is stability."

These days, Fujian Province seems remarkably unaffected by the recent events in Beijing.

No one has been arrested in Xiamen, a major port and a Special Economic Zone, and most people say they have been much too busy working to spend time on political study classes that many people in other parts of the country are obliged to attend.

The rising prosperity seems, for now, to

See CHINA, Page 3

# *FBI Reports Body Probably Higgins*

*The Associated Press*

WASHINGTON — The FBI said Monday its experts believe the body hanging from a rope shown in a videotape released last week by Lebanese terrorists is likely that of Lieutenant Colonel William R. Higgins of the U.S. Marine Corps, but offered no judgment about the time and cause of death.

The White House spokesman, Marlin Fitzwater, said President George Bush telephoned Colonel Higgins's widow, Robin, "to offer his support and encouragement."

# A New Headache for Gorbachev — The Gagauz Demand Autonomy

By Bill Keller
*New York Times Service*

KOMRAT, U.S.S.R. — The Gagauz republic is a sleepy rural jurisdiction that for now exists, like Oz or the Duchy of Grand Fenwick, on no official maps.

It is populated by a close-knit tribe of Turkic-speaking Orthodox Christians who have long preferred to tend their vineyards and livestock and leave the prickly thickets of politics to someone else.

How the Gagauz suddenly awoke with demands for status, power and respect — all the advantages they hope would come with recognition as an autonomous Soviet republic — and how their neglected corner of southern Moldavia joined the Kremlin's list of potential trouble spots, is in miniature the story of the serial combustion called "the Soviet nationalities question."

Like a score of other minorities in this country of unassimilated peoples, the Gagauz have been inspired by a potent mix of economic complaints, ethnic pride and pushy neighbors, all set aswirl by President Mikhail S. Gorbachev's loosening of the controls on political debate.

While Gagauz leaders say they are committed to parliamentary methods, patience among the local villagers is quickly wearing thin. The Kremlin, already contending with something akin to civil war in Azerbaijan, Georgia and Uzbekistan, sent an emissary to Gagauz recently to investigate, and he reportedly pronounced the situation critical.

"Everyone sees now that there will not be peace in Moldavia until they solve the problem of autonomy for the Gagauz," said Pyotr N. Zavrichko, a 38-year-old lawyer who is a leader of the movement called Gagauz Khalki, which means Gagauz People.

At the central farm market in the district center of Komrat, about 50 miles (80 kilometers) south of Kishinev, the Moldavian capital, a farmer likened the restiveness to that of coal miners who went on strike in Siberia. "If the miners in the Kuznetsk Basin can make demands," he said, "you think we can't make demands, too?"

The Gagauz, who number about 180,000 in the Soviet Union, moved here from Bulgaria during the Russian-Turkish wars in the early 19th century and have endured patiently under Russian, then Romanian, then Soviet overlords. Its one period of self-proclaimed autonomy, in 1906, lasted 15 days before the police were sent in.

In 1982, a few young and educated Gagauz began campaigning for a cultural revival, sponsoring poetry readings and raising such delicate questions as why there were no Gagauz-language schools in Moldavia, where the Gagauz number about 140,000 and total 3.5 percent of the republic's population.

In the waning days of the tenure of Leonid I. Brezhnev, that was considered political provocation. One young agitator, Leonid Dobrov, was put into a psychiatric hospital. Another lost his job. The villagers did not rise to their defense.

"Some of the people were afraid," said Stepan S. Bulgar, now the chairman of Gagauz Khalki. "The others were indifferent."

Gagauz nationalism remained primarily the preoccupation of a few intellectuals until late last year, when the Moldavian majority in the republic caught the fever of ethnic self-awareness.

Moldavian students and intellectuals had watched with interest as nationalism caught hold in Armenia, the Ukraine and especially the Baltic republics of Lithuania, Latvia and Estonia, encountering little official resistance.

Like the Baltics, Moldavia was absorbed into the Soviet empire in 1940 and has chafed under cultural and economic hegemony.

For Moldavians, a revival of their culture — closely akin to that of neighboring Romania — became a way of thumbing their noses at the colonizers in Moscow.

High on the list of Moldavian demands was a law establishing Moldavian as the prevailing language of official business in the republic. And in December, the Moldavian Communist Party chief, Semyon K. Grossu, following the conciliatory lead of the Kremlin, endorsed the idea.

This development alarmed the non-Molda-

See GAGAUZ, Page 2

# Accord Set on Contras

## *But Plan Lacks Rebel Approval*

*Compiled by Our Staff From Dispatches*

TELA, Honduras — Central American presidents have agreed on a plan to disband the Nicaraguan rebels, President José Azcona Hoyo of Honduras said Monday.

Asked whether the five presidents — from Costa Rica, El Salvador, Nicaragua, Honduras and Guatemala — had agreed on a plan to disband the U.S.-backed contras after a three-day meeting in this Caribbean resort, Mr. Azcona said, "We have reached an accord in all aspects."

Officials involved in drafting the agreement said it contained a detailed proposal to disband and relocate about 10,000 contras based in southern Honduras under United Nations supervision, a call for a negotiated end to El Salvador's 10-year civil war and a pledge by Nicaragua to drop a suit against Honduras at the International Court of Justice in The Hague.

Some diplomats billed the accord as, in effect, the end of the contra army.

But other officials cautioned that the success of the plan would depend on the reaction of the contras, who oppose the disbanding. Those officials pointed out that neither the Honduran military nor UN peacekeeping troops would be likely to try to disarm the rebels by force.

The plan to disband the contras was billed as the boldest step by the Central American leaders since they signed a regional peace plan on Aug. 7, 1987, in Guatemala.

The move would mark a victory for President Daniel Ortega Saavedra of Nicaragua and a setback for the Bush administration, which has lobbied the other Central American leaders to keep the contras in place until after Nicaraguan elections scheduled for February 1990.

Political analysts warned that the contras would not easily give up their eight-year effort to overthrow the leftist Sandinista government in Managua and return to a peaceful life in Nicaragua.

"The whole key is to convince the contras," said John Biehl, an adviser to President Oscar Arias of Costa Rica. Mr. Biehl and other officials said the plan would involve UN supervision of disarming and voluntary relocation of contras "as soon as the United Nations can get its teams on the ground."

According to the United Nations, the first UN observer force to Latin America will be deployed along the borders of the five Central American countries, not only along the Honduran-Nicaraguan border. The force also would patrol the Fonseca Gulf, between Nicaragua and El Salvador to cover sea lanes allegedly used to smuggle arms for the Salvadoran rebels.

Sources at the Central American talks said the presidents would set a timetable stretching over at least three months for the demobilization but added that the process would probably end before Nicaragua holds elections.

President Alfredo Cristiani of El Salvador also could claim victory in his first summit appearance.

The joint call for a dialogue between the Salvadoran government and the leftist Farabundo Marti National Liberation Front apparently satisfied Mr. Cristiani's stated goal of getting the Central American peace process to focus on the war that has killed nearly 70,000 people in his country.

Mr. Biehl said a last-minute agreement between Mr. Ortega and opposition political parties in Nicaragua — in which Mr. Ortega granted opposition demands and the parties joined in a call to disband the rebels — was "absolutely decisive" in persuading the other presidents to do away with the rebels. *(UPI, Reuters)*

Rabih Moghrabi/Agence France-Presse

**Marrack Goulding, left, the United Nations envoy in the hostage crisis, talking Monday in Beirut with Sheikh Mohammed Hussein Fadlallah, a spiritual leader for pro-Iranian extremists in Lebanon.**

# *Shamir Calls for a Blackout On Comments on Hostages*

*United Press International*

JERUSALEM — Prime Minister Yitzhak Shamir and two senior ministers called for an end Monday to unauthorized comments they believe could jeopardize negotiations for the release of hostages held in Lebanon.

Mr. Shamir, Foreign Minister Moshe Arens and Defense Minister Yitzhak Rabin said the best way to resolve the hostage crisis was through diplomatic channels rather than public reactions to statements by the pro-Iranian Hezbollah or Party of God movement.

"We will not react publicly to what they say or what they declare," a Shamir spokesman, Yossi Achimeir, said. "We prefer to handle the whole issue through quiet channels and our goal to have a release of all hostages is still valid."

Eliahu Ben-Elissar, head of parliament's Defense and Foreign Affairs Committee, said Israel was in a "psychological war." In an apparent response to the call for silence, Mr. Ben-Elissar asked Army Radio, "Would you really like me to endanger all the things that are so touchy and important at this moment?"

Among the reactions that apparently irritated the leaders were statements from Minister without Portfolio Ehud Olmert, who told Israel Radio Monday that Israel would not agree to a Hezbollah demand to release kidnapped Sheikh Abdel Karim Obeid and 450 Palestinians and Lebanese held by Israel if three Israeli soldiers were not freed from captivity along with Western hostages.

"Any declaration can hurt because it is a very delicate issue," Mr. Achimeir said.

A leftist parliamentarian, Yossi Sarid, told the army radio he believed several Israeli ministers were "suffering from a disease of the mouth" in reacting to Hezbollah statements, while the rightist trade and industry minister, Ariel Sharon, urged Israelis to "act with patience."

Israel's kidnapping of Sheikh Obeid from a south Lebanese village July 28 triggered the hostage crisis, which included the announced killing of Lieutenant Colonel William R. Higgins of the U.S. Marine Corps.

Mr. Rabin has said Israel acted alone in kidnapping Sheikh Obeid in an effort to use him to win the release of the three Israeli soldiers held in Lebanon since 1986. Since then, Israel has stood firmly by a week-old offer to swap Sheikh Obeid and other Shiite prisoners for the soldiers and Western hostages in Lebanon.

Israel has sought coordination with the countries whose nationals are held hostage in Lebanon, and on Monday West Germany appealed to Israel to assist in the release of its two hostages, the Foreign Ministry spokesman, Alon Liel, said.

Diplomatic contacts involving other countries or international agencies continue, but no negotiations between Israel and Hezbollah have been undertaken, he said.

Eight Americans are believed held hostage in Lebanon, along with captives from Britain, West Germany, Italy and Ireland.

Israel Radio reported that the defense minister is scheduled to meet Tuesday with Marrack Goulding, UN undersecretary for political affairs, who has talked with Hezbollah and other Arab leaders over the last week in an effort to resolve the hostage situation.

### ■ Hezbollah 'Responsible'

Israel said on Monday it held the Hezbollah group responsible for the safety of hostages held in Lebanon, a day after Shiite extremists threatened to kill a captive Israeli soldier, Reuters reported from Jerusalem.

Officials insisted Israel had yet to enter negotiations for the release of three Israeli soldiers and 17 Western hostages but said there were steps toward negotiations.

Deputy Foreign Minister Benjamin Netanyahu told the Visnews international news agency:

"We are very much concerned about the fate of our POWs as we are over the fate of the Western hostages, but as we have said before, Hezbollah and the governments that support it are responsible for the safety of these people."

Islamic Amal, a Shiite Amal group linked to Hezbollah, warned on Sunday it would kill an Israeli soldier if it were "in the interest of Islam and the oppressed."

# PROCESS: *Debate on Hostages*

(Continued from Page 1)

leged slaying of Lieutenant Colonel William R. Higgins.

"Just because they reject the note doesn't mean the message isn't getting through," an administration official said.

Officials said it was important to distinguish between public positions taken by Iran and Shiite Muslim groups and other factions holding hostages, and the private positions of these groups and those close to them. Serious bargaining, if it should begin, is not likely to take place in the glare of international publicity, the sources said.

The most likely confidential intermediary for discussions about the hostages, an official said, is the International Committee of the Red Cross, which has had extensive experience with prisoner and hostage swaps in the Middle East and elsewhere.

The committee is believed to be actively engaged on the Lebanon hostage issues. Previously, the organization arranged prisoner exchanges at the end of the Iran-Iraq war and between the Soviet Union and Afghan guerrillas. In 1982, 1983 and 1985, the Red Cross was instrumental in planning and carrying out exchanges of prisoners between Israel and Arab groups in Lebanon.

The diplomatic activity of the Algerian government, apparently in response to a personal plea from President George Bush to President Chadli Bendjedid, is also considered a positive initiative, officials said.

Bob Dole of Kansas, the Senate minority leader, on another television program on Sunday, shrugged off a dig at his criticism of Israel that had come from a fellow Republican, Jack Kemp, the secretary of housing and urban development.

Mr. Dole, who voiced displeasure early last week with Israel's kidnapping of a Shiite cleric in Lebanon, was criticized by Mr. Kemp at a private gathering of Republican lawmakers in the House on Wednesday. Mr. Kemp reportedly said Mr. Dole wanted to "blame Israel first."

Asked about the criticism, Mr. Dole replied, "I think Kemp ought to be worrying about HUD," where scandals of earlier days have been uncovered. Mr. Kemp has "plenty of problems there," Mr. Dole said.

# UNESCO: *New Management, but Far From Recovery*

(Continued from Page 1)

think I have given better management."

Had his policies produced concrete programs? Mr. Mayor pointed as one example to a planned campaign to combat illiteracy — yet that program has only five staff members, including secretaries, and has been given no funds or resources.

"Our position right now is that there is not enough evidence to say whether or not UNESCO has reformed," said Mark Franz of the Heritage Foundation, a rightist pressure group that pushed for U.S. withdrawal from the organization.

When Mr. Mayor visited the foundation earlier this year, Mr. Franz said, "we tried very hard to take a balanced look at the situation, and we asked him to show exactly where changes were being made because we do really want to believe there has been improvement. We were thoroughly disappointed in his response. We got the superficial stuff."

Mr. Franz said the United States is unlikely to rejoin UNESCO as long as it retains its so-called New World Information Order, which the U.S. and British governments regard as a thinly disguised attempt by Communist and nondemocratic Third World regimes to stifle the free flow of information.

Mr. Mayor said that UNESCO documents no longer speak of a need for "balance" in the flow of information. Balance was seen as a code word justifying government control of the media.

The emphasis now is wholly on improving the training and resources of Third World media to improve their ability to compete, he said.

It would be unreasonable to expect UNESCO's multinational executive board to "come out and say that the New World Information Order was a device to gag the press, and please forgive us, oh God, and go on from there," said Mr. Hancock. "We do want a wider and more balanced distribution of information," he said, "but not by limiting information."

If the information order remains a key obstacle to the U.S. rejoining UNESCO, an even bigger problem looms on the horizon: the membership application of the Palestine Liberation Organization.

Many countries are determined to push for PLO membership, which political sources said would be a deadly blow to UNESCO and to the UN system in general. It would definitively exclude U.S. membership, since Congress has passed a law forbidding the United states joining or remaining a member of any organization that accepts the PLO.

Mr. Mayor said it is hard to imagine UNESCO permanently without the United States, which not only provided 25 percent of the organization's budget — it was $307 million for 1988-89 — but also provided key intellectual and scientific support.

Mr. Mayor said he had removed the obstacles to the United States and the other countries' returning to UNESCO, and said he was confident they will come back "after the general conference. This is my fairly strong opinion."

Responding to criticism that he has failed to reorganize UNESCO, Mr. Mayor said he would not do so until the the general conference approves his program proposals.

Once the conference has defined where UNESCO is headed, he said, "I will create the structures. If I had done it the other way round, then the structures would have prevailed over the functions."


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### DEATH NOTICE

Mrs. Elsie Nash and her two sons mourn the death of their husband and father, Michael Nash. The funeral will take place at 11:00 a.m., Thursday, August 10, at the cemetery of Les Mesnuls (near Montfort l'Amaury). No wreaths, no flowers, please.

# Hubert Beuve-Méry Of Le Monde Dies

*International Herald Tribune*

PARIS — Hubert Beuve-Méry, 87, who founded Le Monde in 1944 and turned it into into a strong, confident and independent voice of modern France, died on Sunday in Fontainebleau, where he had been in the hospital for the past week after a fall.

Mr. Beuve-Méry molded the first French newspaper to become as much a national institution as the Bank of France, the first that was not the plaything of a faction, a party or an ideology.

When France was liberated in 1944, Charles de Gaulle asked Mr. Beuve-Méry to start an independent newspaper, using the headquarters of the old Le Temps, which had been tainted by its involvement with the Occupation.

He directed Le Monde for 25 years until his retirement in 1969, giving it a style it substantially retains today — spare, serious, mordently analytical and almost devoid of photographs. Le Monde has a daily circulation of about 360,000 — down from a peak of 450,000 10 years ago — and is still owned largely by its staff, who also elect the editor.

"The quest for truth is our principal raison d'être," he once wrote.

Mr. Beuve-Méry's years at Le Monde were contemporary with those of de Gaulle as the leader of the nation, and the relationship between the two men was a stormy one. Mr. Beuve-Méry once described de Gaulle as "an old leader who has become intolerable."

After his retirement, Mr. Beuve-Méry retained a small office at Le Monde where he continued to keep a fatherly eye on the newspaper and dispense advice to younger members of the staff, according to André Fontaine, the current editor. "We were more or less his children, his second family," Mr. Fontaine said.

Mr. Beuve-Méry was born in Paris where his father was a jeweler-watchmaker. He was correspondent for Le Temps in Prague from 1934-1938, when he resigned in protest over the paper's approval of the German invasion of Czechoslovakia.

Reuters

Hubert Beuve-Méry

### Gerhardus de Kock, 63, South African Banker

JOHANNESBURG (AP) — Gerhardus de Kock, 63, the governor of the South African Reserve Bank, credited with bringing a market-oriented approach into the nation's monetary policy, died Monday of colon cancer.

He headed a commission of inquiry into the monetary system from 1977-1982 that resulted in major changes in the practice of government intervention in the monetary system.

# GAGAUZ: *It Wants Autonomy*

(Continued from Page 1)

vian-speaking minorities in the republic, and none was more distressed than the Gagauz.

In addition to their own Turkic tongue, the Gagauz are obliged to master Russian. Now they face the prospect of a third language, Moldavian, which is as alien to the Gagauz as Urdu or Swahili.

"That was the turning point," Mr. Bulgar said. "The mass of people who had been indifferent suddenly saw that things were not so simple."

Before long, the leaders of Gagauz Khalki, working the countryside in a battered orange mini-sedan dubbed Aurora, after the warship of the Bolshevik Revolution, found that thousands of villagers were turning out for their meetings.

"In the villages, the people were more radical than we were," Mr. Bulgar said. "At the meetings, some people even said we should secede from Moldavia."

The language issue has already proved explosive in other republics. A law establishing Estonian as the official tongue in Estonia has prompted demonstrations and strikes by the Russian-speaking minority, and a similar proposal in Soviet Georgia was a major underlying cause of tension that has led to bloody conflict between Georgians and the Abkhasian minority.

In Gagauz, the language issue has loosed a torrent of other complaints: of unpaved roads and inadequate drinking water, of the lack of kindergartens and technical schools, of "exploitation."

"Of the 41 regions in the republic, the Gagauz regions rank 35 through 41 in standard of living," said Andrei S. Burklu, an electrical engineer and member of the Gagauz Khalki political committee. "Judge for yourself where the profits from our work go."

Why is it, the farmers asked, that the grapes, tobacco and meat they raise are trucked off to other places for processing?

"The wine from our grapes sells for 2 rubles, 3 rubles, 5 rubles a bottle," complained a Gagauz at the Komrat farmers market. "We get kopeks. Where do the profits go? Not to us."

In May, Gagauz Khalki held its first organizing congress here and approved the demand for a Gagauz autonomous republic comprising several counties of southern Moldavia where Gagauz are concentrated, with Komrat, a town of 27,000, as the capital.

While Gagauz Khalki says it has support among the more than 30,000 Gagauz living in the Ukraine, they are not actively involved in the movement and there has so far been no consideration of including Ukrainian territory in the republic.

A Gagauz autonomous republic would still be a subdivision of Moldavia, but the Gagauz would have far greater control over their own cultural and economic affairs. The Gagauz republic, they decided, would have no official language, although Russian would continue as the common tongue.

In the pink former store that is now the Gagauz Khalki headquarters, the crusaders have assembled declarations of support from all 23 Gagauz villages in southern Moldavia, as well as testimonials from such pillars of the city establishment as the courthouse workers and the Komrat police force.

Some of the local party and government officials have also thrown in their support, hoping to keep the Gagauz locomotive on the tracks of acceptable behavior. Ivan P. Kristioglu, the ideology chief for the Communist Party in the Komrat region, is a member of the steering committee, and officials have been helpful with printing presses and meeting permits.

This is a tenuous alliance, as was evident when local officials invited the Khalki steering committee to city hall to meet a visiting reporter.

"Calm down. We don't need ultimatums," snapped Konstantin F. Popovich, a Gagauz who is the mayor of Komrat, when one of the Gagauz leaders warned of strikes or civil disobedience to press their cause.

"We aren't looking for another Fergana or Tbilisi here," he added, referring to two of the Soviet cities where ethnic unrest has turned to bloodshed.

In Kishinev, the Moldavian capital, the Gagauz cause is viewed with chilly ambivalence.

The republic's party leaders say they support Gagauz cultural demands, but they insist political autonomy requires extensive study. The Gagauz say republic leaders tried to prevent their congress in May and have permitted only distorted reports on the Gagauz movement in the republic's press.

Communist leaders in Moscow have refused to commit themselves until they can devise a countrywide ethnic policy — a feat so tricky that a promised Communist Party meeting on the subject has repeatedly been postponed, most recently until September.

The Gagauz have found their only republicwide support from a backlash group called Yedinstvo, or Unity, made up primarily of Russian residents who see the language law as the beginning of an anti-Russian campaign.

Alexander M. Brodsky, a Kishinev writer who has campaigned for more democracy in the republic, said liberal intellectuals were sympathetic to the Gagauz. But they fear that the republic's officials — many of them holdovers from the Brezhnev era — have subtly encouraged the ethnic divisions as a way of discrediting Mr. Gorbachev's liberalization.

"If it were simply a matter of cultural identity and territorial autonomy, one could only support the Gagauz," Mr. Brodsky said. "But you cannot ignore that this issue gives the leadership an opportunity to discredit the democratic movement and the Moscow leadership.

"You cannot take these nationalities questions in isolation. In 99 percent of the cases, behind the nationalities issues stand social issues, dissatisfaction with the system, dissatisfaction with empty stores. And, wherever Russians are turned against Moldavians, or Moldavians against Gagauz, if you look in the eyes of the official bureaucrats, you will see satisfaction."

# IRAN: *Interior Minister Calls for Anti-U.S. Offensive*

(Continued from Page 1)

parties" and should not be solved publicly. He was apparently referring to the debate surrounding Israel's refusal to free Sheikh Obeid in exchange for an American hostage, Joseph J. Cicippio, unless three Israeli soldiers were included in the swap.

The pro-Iranian Revolutionary Justice Organization offered Sunday to free Mr. Cicippio, whom it threatened to kill last July 31 in retaliation for Sheikh Obeid's abduction, if the cleric were released along with 450 Palestinian and Lebanese prisoners from Israeli jails.

The underground group has made no mention of the three Israeli soldiers, while the Hezbollah movement has categorically rejected any negotiations over the Israeli prisoners.

Mr. Goulding said he was preparing a report for UN Secretary-General Javier Pérez de Cuéllar about his mission to retrieve the body of Colonel Higgins.

Mr. Goulding has met with Hezbollah leaders, prominent Shiite figures and Lebanese and Syrian officials since he arrived in Beirut last week. His next stop is Israel, where he is expected to meet with Defense Minister Yitzhak Shamir.

# WORLD BRIEFS

## Cuba Accuses U.S. Over Drug Traffic

HAVANA (Reuters) — Cuba accused the U.S. government Monday of refusing to take a step towards normalizing relations because it has turned down Havana's offer to cooperate against drug trafficking.

The charge was made in an editorial in the Communist Party newspaper Granma. Last month four former Cuban officers were executed and 10 received long prison terms on conviction of drug trafficking, and Granma said although U.S. officials had knowledge of the activity they refused to share the information with Cuba.

Granma spoke of the "serious, solid and real intentions expressed by Cuba in the sense of cooperating with American authorities in the fight against drugs." It added: "Faced with this evidence of goodwill on the part of Cuba, the representatives of the U.S. government put forth evasive conditions."

## 2 Armenians Die in Azerbaijan Strife

MOSCOW (AFP) — Two Armenians were killed Thursday in the Azerbaijani capital of Baku in the latest flare-up of ethnic tension in that republic, a Soviet official said Monday.

A source described them as "revenge" killings for the knifing of an Azeri, but said troops stationed in the area did not intervene.

The incident sparked a huge rally in which "about 50,000 people" backing the Popular Front, a movement aimed at fighting anti-Armenian sentiment in the republic, called for a general strike from Aug. 14 if the government did not meet their list of demands to ease tension.

## Baker Praises Mexican Drug Effort

MEXICO CITY (AP) — Secretary of State James A. Baker 3d said Monday that Mexico, after years of stagnation, has become an economic model for other debtor nations because of the "bold, far-sighted policies" of President Carlos Salinas de Gortari.

He also said that Mexico's record over the past six months in cracking down on drug trafficking has made clear the government's commitment that "it wants to tear the roots of the opium poppy and marijuana plant from its soil."

Mr. Baker spoke at the ceremonial opening of daylong talks under the auspices of the U.S.-Mexico Binational Commission. They featured the presence of an unusually large array of senior Bush administration officials, including Treasury Secretary Nicholas Brady.

## Geneva Arms Talks Are Recessed

GENEVA (AP) — U.S. and Soviet negotiators Monday ended their first talks on cutting long-range nuclear forces since President George Bush took office and agreed to meet again beginning Sept. 25.

The chief Soviet negotiator, Yuri K. Nazarkin, reiterated that the seven-week-long session made progress on some technical points but failed to solve major issues in the talks, which have been going on for four and a half years.

The talks, which include negotiations on defense and space, will resume after a Sept. 19-20 meeting between U.S. Secretary of State James A. Baker 3d and the Soviet foreign minister, Eduard A. Shevardnadze, where arms control is expected to be a topic. Both sides have said that agreement on a treaty to reduce strategic arms is not in sight.

## Beirut General Appeals to Gorbachev

BEIRUT (Reuters) — Syrian and Christian forces battled with mortars and tanks on Monday in Beirut, killing two persons and wounding eight, after another night of heavy shelling in Lebanon.

The leader of the Christian forces, Major General Michel Aoun, appealed to President Mikhail S. Gorbachev of the Soviet Union to put pressure on Syria, an ally of Moscow, to stop the fighting. The Museum Crossing, a 500-meter-wide (540-yard) stretch of wasteland linking the Moslem and Christian sectors of the capital, was closed as the battles erupted and civilians rushed for cover in shell-pocked buildings.

"We believe that you will not let history say that the Soviet Union stood helpless watching a country destroyed by Soviet weapons," General Aoun said in a letter to Mr. Gorbachev. "What the Syrian regime is doing to Beirut and other Lebanese cities reminds us of what the Nazis did to Stalingrad."

## Correction

An article in editions of Aug. 7 incorrectly identified Prince Sadruddin Aga Khan, the former United Nations High Commissioner for Refugees, as head of the Ismaili Moslem group, a position actually held by his nephew, Prince Karim Aga Khan.

# TRAVEL UPDATE

## Bermuda Hurricane Damage Heavy

HAMILTON, Bermuda (AP) — The hurricane designated Dean, packing winds of more than 100 mph (160 kph), ripped down power lines, damaged homes and sank pleasure boats on this Atlantic resort island before rolling farther north.

Electrical service to many of the island's 65,000 residents was cut off when the hurricane hit. The National Hurricane Center at Coral Gables, Florida, early Monday discontinued a hurricane warning for Bermuda but warned small craft to remain in port because of high winds and seas.

A police spokesmen, Inspector Roger Sherrett, said commercial flights were to resume their normal schedules on Monday after most flights were canceled. Forecasters said the storm was expected to stay out of range of the continental United States but could cause problems for shippers.

## European Air Travelers Face Delays

PARIS (Reuters) — A five-day strike call by electricians at French air control centers threatens European vacationers with long delays next weekend, a peak period for tourist traffic.

Two unions representing 50 percent of the electricians who work on France's air traffic radars and computers have called on their members to stop work from the evening of Aug. 10 to the morning of Aug. 16, union officials said Monday.

As French controllers are responsible for all traffic over the country, flights which do not land in France will also be affected, including those on the busy route taking British tourists to Spain.

A fire at a Newark dump beneath an elevated section of Interstate 78 in New Jersey melted steel supports and buckled portions of the busy roadway into the New York metropolitan area, causing damage that could take months to repair, officials said. *(UPI)*

Striking Eastern Airlines pilots in New York and Atlanta voted to continue their walkout against the carrier, while pilots in Miami also voiced support for the 5-month-old strike. The pilots have supported the strike that was called March 4 by the International Association of Machinists, the union that represents the ground workers and the union representing flight attendants. *(UPI)*

# WEATHER

**EUROPE**

| | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Algarve | — | — | 17 | 63 | fr |
| Amsterdam | 21 | 70 | 15 | 59 | r |
| Athens | — | — | 28 | 82 | fr |
| Barcelona | 31 | 88 | 22 | 72 | fr |
| Belgrade | 29 | 84 | 19 | 66 | fr |
| Berlin | 23 | 73 | 13 | 55 | c |
| Brussels | 23 | 73 | 13 | 55 | c |
| Budapest | 32 | 90 | 16 | 61 | fr |
| Copenhagen | 20 | 68 | 8 | 46 | r |
| Costa Del Sol | 28 | 84 | 18 | 64 | fr |
| Dublin | 20 | 68 | 13 | 55 | c |
| Edinburgh | 20 | 68 | 13 | 55 | c |
| Florence | 31 | 88 | 20 | 68 | fr |
| Frankfurt | 23 | 73 | 17 | 63 | fr |
| Geneva | 30 | 86 | 16 | 61 | fr |
| Helsinki | 18 | 64 | 12 | 53 | r |
| Las Palmas | 28 | 82 | 20 | 68 | fr |
| Lisbon | 24 | 75 | 14 | 57 | fr |
| London | 24 | 75 | 15 | 59 | fr |
| Luxembourg | 24 | 75 | 14 | 57 | fr |
| Madrid | 33 | 91 | 15 | 59 | fr |
| Milan | 27 | 81 | 17 | 63 | fr |
| Moscow | 20 | 68 | 10 | 50 | c |
| Munich | 23 | 73 | 12 | 54 | fr |
| Nice | 27 | 81 | 20 | 68 | fr |
| Oslo | 20 | 68 | 15 | 59 | c |
| Paris | 27 | 81 | 15 | 59 | fr |
| Prague | 28 | 79 | 14 | 57 | fr |
| Reykjavik | 9 | 48 | 8 | 46 | r |
| Rome | 29 | 84 | 20 | 68 | fr |
| Stockholm | 23 | 73 | 11 | 52 | fr |
| Strasbourg | 28 | 82 | 15 | 59 | fr |
| Venice | 26 | 79 | 17 | 63 | fr |
| Vienna | 27 | 81 | 18 | 64 | fr |
| Warsaw | 22 | 72 | 8 | 46 | fr |
| Zurich | 27 | 81 | 16 | 61 | fr |

**MIDDLE EAST**

| | | | | | |
|---|---|---|---|---|---|
| Ankara | 31 | 88 | 11 | 52 | fr |
| Cairo | 34 | 93 | 22 | 72 | fr |
| Istanbul | 27 | 81 | 17 | 63 | fr |
| Jerusalem | 29 | 84 | 17 | 63 | fr |
| Tel Aviv | 31 | 88 | 20 | 68 | fr |

**OCEANIA**

| | | | | | |
|---|---|---|---|---|---|
| Auckland | — | — | — | — | no |
| Sydney | 15 | 59 | 6 | 43 | fr |

**ASIA**

| | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Bangkok | 33 | 91 | 26 | 79 | r |
| Beijing | 33 | 91 | 22 | 72 | fr |
| Hong Kong | 33 | 91 | 28 | 82 | fr |
| Manila | 33 | 91 | 24 | 75 | fr |
| New Delhi | 38 | 100 | 26 | 79 | cs |
| Seoul | 30 | 86 | 23 | 73 | fr |
| Shanghai | 30 | 86 | 24 | 75 | fr |
| Singapore | 32 | 90 | 25 | 77 | r |
| Taipei | 34 | 93 | 23 | 73 | fr |
| Tokyo | 33 | 91 | 25 | 77 | fr |

**AFRICA**

| | | | | | |
|---|---|---|---|---|---|
| Algiers | 33 | 91 | 23 | 73 | fr |
| Cape Town | 22 | 72 | 8 | 46 | fr |
| Casablanca | 28 | 82 | 20 | 68 | fr |
| Harare | — | — | — | — | no |
| Lagos | — | — | — | — | no |
| Nairobi | 28 | 82 | 25 | 77 | cs |
| Tunis | 36 | 100 | 24 | 75 | fr |

**LATIN AMERICA**

| | | | | | |
|---|---|---|---|---|---|
| Buenos Aires | 22 | 72 | 10 | 50 | fr |
| Lima | 20 | 68 | 14 | 61 | cs |
| Mexico City | 24 | 75 | 13 | 55 | cs |
| Rio de Janeiro | — | — | 18 | 64 | cs |

**NORTH AMERICA**

| | | | | | |
|---|---|---|---|---|---|
| Anchorage | 18 | 64 | 11 | 52 | pc |
| Atlanta | 29 | 84 | 16 | 61 | pc |
| Boston | 29 | 84 | 13 | 55 | pc |
| Chicago | 29 | 84 | 13 | 55 | pc |
| Denver | 21 | 70 | 12 | 54 | cs |
| Detroit | 22 | 72 | 13 | 55 | cs |
| Honolulu | 31 | 88 | 24 | 75 | pc |
| Houston | 31 | 88 | 24 | 75 | pc |
| Las Angeles | 24 | 93 | 22 | 72 | pc |
| Miami | 33 | 91 | 23 | 73 | pc |
| Minneapolis | 25 | 77 | 11 | 52 | pc |
| Montreal | 24 | 75 | 13 | 55 | pc |
| Nassau | 29 | 84 | 23 | 73 | pc |
| New York | 29 | 84 | 18 | 64 | pc |
| Phoenix | 37 | 99 | 28 | 82 | pc |
| San Francisco | 21 | 70 | 14 | 57 | pc |
| Seattle | 22 | 72 | 14 | 57 | pc |
| Toronto | 29 | 84 | 18 | 64 | pc |
| Washington | 30 | 86 | 19 | 66 | pc |

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; sn-snow; sl-stormy; sc-partly cloudy; r-rain; sh-showers.

TUESDAY'S FORECAST — CHANNEL: Slightly rough. FRANKFURT: Fair. Temp. 25 — 17 (77 — 63). LONDON: Cloudy. Temp. 22 — 13 (72 — 55). MADRID: Stormy. Temp. 33 — 18 (91 — 64). NEW YORK: Partly Cloudy. Temp. 25 — 17 (77 — 63). PARIS: Fair. Temp. 28 — 13 (79 — 55). ROME: Fair. Temp. 33 — 20 (90 — 68). ZURICH: Stormy. Temp. 24 — 17 (75 — 63). BANGKOK: Showers. Temp. 33 — 25 (91 — 77). HONG KONG: Fair. Temp. 34 — 28 (93 — 82). MANILA: Rain. Temp. 28 — 22 (82 — 72). SEOUL: Partly cloudy. Temp. 32 — 28 (90 — 79). SINGAPORE: Showers. Temp. 29 — 25 (84 — 77). TOKYO: Fair. Temp. 32 — 25

# Ostriches in Iowa? For Some Farmers, They're Laying the Golden Eggs

By Paula Yost
*Washington Post Service*

WESTSIDE, Iowa — Big Jim the ostrich hunkered down and, in what has become a daily ritual, curved his long neck into an S-shape and waved it from side to side. Sally, the focus of his energies, batted her long eyelashes and looked away.

The courtship of these ostriches is not very private. When Big Jim performs his dramatic mating dance, Dick Hugg, an Iowa farmer, watches and smiles. At $3,000 per chick, ostrich breeding — for feathers, hide and low-cholesterol meat — is big business.

The lack of privacy does not seem to bother the birds, who deliver offspring promptly and punctually. Every other day between 4:30 and 5 P.M., Sally lays an egg, and the Huggs — between growing corn and soybeans and feeding hogs — head out to the ostrich pen to pluck an egg and place it into an incubator.

Ostriches in Iowa? At eight to nine feet (2.4 to 2.7 meters) tall, the 300-pound (136 kilogram) African birds stretch higher than cornstalks and cause double-takes among Hugg's neighbors in this western Iowa farming community. But Hugg, along with about 100 farmers in the Midwest and 200 in Texas and Oklahoma, see ostriches as the salvation of a hurting agricultural economy unable to support the more traditional soybean, grain, beef and pork producers.

"It is the brightest picture on the agricultural scene today and it's going to stay that way," said Dale Coody, an Oklahoma rancher who owns 60 ostriches and wrote "Ostriches, Your Great Opportunity."

"Let's face it," Mr. Coody said, "agriculture is in trouble, and this is the surest way out of trouble that I know of."

It was 1975 when Dick and Doris Hugg realized they could not earn a living from cattle. After raising 180 head of cattle, they carted them off to market and rushed the cash to the bank to pay off their note. "We had just enough left over to buy a pizza," Dick Hugg said.

So the Huggs, and others who survived a farm crisis that left many bankrupt, sought ways to diversify. Some got hooked on ostriches, and according to many who invested, are making huge profits. LeRoy Kanfman, another Iowa farmer, said he earned more than $100,000 in 1987 raising and selling the birds.

Ostrich breeders are confident they can carve a niche in American agriculture for an industry marketing ostrich feathers, hide and meat.

"We foresee it eventually being a commercial business much like turkeys or chickens or hogs, where they'll be routinely raised for slaughter," Mr. Hugg said. Ostrich meat is a red meat one-third lower in fat and cholesterol than beef. Ostrich promoters have dubbed it the health meat of the 1990s. "We'll have ostrich burgers someday," Mr. Hugg said.

But ostrich filets and ostrich-skin bucket seats are at least seven years away, according to Tom Mantzel, executive director of the Texas-based American Ostrich Association. This country's ostrich population, estimated at 6,000 adults, is not high enough to support a slaughterhouse, so the current market is for breeders only.

Hard to come by, the birds command a heavy price. An adult mating pair costs $35,000 to $60,000, and an unusually prolific pair can carry a $75,000 price tag. Ostriches, particularly attractive to breeders because of their reproductive habits, lay 35 to 100 eggs annually for 40 of their 70 years of life.

Even at high prices and a high reproductive rate, breeders say they cannot meet the demand. It is the astronomical prices combined with the demand upon which breeders are making their money.

Mr. Kaufman said 85 days after he bought a few birds in 1987, he recouped his $15,000 investment and pocketed a $25,000 profit. "I've made more dollars here than I ever did in farming," he said.

Not everyone is so optimistic. Fred Thornberry, a poultry specialist at Texas A&M University, called the enterprise speculative and warned prospective breeders not to jump in hastily.

He said that like so many one-time promising ventures in agriculture, such as the failed rabbit-harvesting craze in Texas several years ago, this one could fall dead in its tracks.

"This is not an industry as yet," he said, "and I would be very cautious investing money I could not afford to lose."

Mr. Thornberry said the time for huge profits probably peaked in 1987. The farmers who bought birds at low prices in 1986 and earlier will pocket the highest profits.

What makes the venture especially risky for incoming breeders is the likelihood of an ostrich population explosion this year, which could cause prices to plummet, he said. The hundreds of chicks hatched in 1986, the year the ostrich movement picked up speed, will begin reproducing this year.

"I think we're approaching the point where it's getting riskier and riskier," he said.

The Huggs do not anticipate an imminent population explosion because raising an egg to a full-grown ostrich is a difficult task that most breeders have yet to master. Baby ostriches are frail and die easily. And as ostriches are a new agricultural frontier, farmers do not quite know how to raise birds that can run 40 miles per hour.

Feeding them is not such a problem. Ostriches, said to eat anything, are usually raised on prepared alfalfa pellets with some grain and other ingredients mixed in. The Huggs also feed them lettuce and cabbage.

Breeders expect U.S. ostrich prices to be buoyed should the Department of Agriculture permanently ban importation of the birds from Africa. The department temporarily embargoed ostriches in June when ticks not indigenous to the United States were found on incoming birds.

Some breeders prefer an import ban so they can build the ostrich population from birds already here. Once the pool is high enough to support a processing plant, breeders see a virtual fail-safe enterprise because every part of the bird is usable: feathers for computer dusters, ceremonial plumes and fashion wear; leather for boots, purses, car seats; egg shells for jewelry, and meat for health-conscious consumers.

Richard Whitaker, a Kansas banker and owner of 40 ostriches, said he has received letters from a Swiss company expressing interest in ostrich meat produced here, because South Africa controls the industry and does not export enough to meet its demand. "They can't get enough of it in Europe," he said.

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# U.S. Airlines Hit by Lack Of Trained Mechanics

By Eric Weiner
*New York Times Service*

NEW YORK — The U.S. airline industry is short of experienced mechanics, largely because it must cope with aging fleets and is rushing to accommodate more travelers.

A recent survey of the nation's 21 largest airlines by the Air Transport Association, the industry trade group, found 4,000 mechanics' jobs vacant out of the 69,000 positions.

The number of mechanics' licenses issued by the government is dropping.

But the demand for mechanics is expected to grow about 10 percent a year in the next decade, largely because new federal rules call for modifications to older planes and the airlines are adding hundreds of new jets.

Although the major airlines can still find qualified mechanics, many carriers are now being forced to hire mechanics fresh out of school. Some industry experts have expressed concern that the airlines will not take the time to train the new workers properly.

"You're going to have people rushed into the occupation who are marginally trained," said John Galipault, president of the Aviation Safety Institute, a watchdog nonprofit organization based in Columbus, Ohio, financed through private donations.

While few people would suggest that the airlines would neglect maintenance because of a shortage, an airline maintenance expert said, more flight delays and cancellations could result as maintenance falls behind schedule and jets stay in the hangar.

"The situation will undoubtedly get worse," said James Conley, spokesman for the International Association of Machinists and Aerospace Workers. "The older the planes get, the more work they'll need."

His union represents more than 40,000 airline mechanics. A shortage would give the union more leverage in contract talks.

Industry experts attribute the shortage to a dwindling supply of military-trained mechanics, higher pay in related professions and a lack of qualified instructors. The demand for mechanics comes at a time when the airlines are also concerned about a shortage of pilots as the older pilots retire.

The airlines have hired 9,258 mechanics in the past year and are now hiring about 1,000 a month, according to the Future Aviation Professionals of America, a consulting company based in Atlanta.

Six years ago, they were hiring hardly any. But industry experts fear that as the hiring rate continues to soar, the pool of qualified mechanics will soon dry up.

Last year, the Federal Aviation Administration granted 14,900 licenses, down slightly from 15,100 in 1987. But many of the people who get licenses, especially those trained in repairing airplanes' complicated electronic systems, soon move to better pay outside aviation, often in the computer or medical technology industry.

"No airline can compete with the salaries in Silicon Valley," said Clyde R. Kizer, vice president of maintenance for the Air Transport Association. "They make a lot more money and don't get their hands dirty."

So airlines have raised starting salaries, from about $9 an hour a few years ago to as high as $14. Several airlines are opening their own training schools.

One of the largest sources of trained mechanics, the military, has begun to dry up. The military employs fewer mechanics than it once did and is offering higher pay to keep those it has.

Industry experts say the shortage of mechanics will worsen as thousands, many of them trained in World War II and the Korean War, retire.

At Pan American World Airways, about 2,000 of the 3,600 mechanics are expected to retire in four years, said John J. Kerrigan, vice president of the Transport Workers Union, which represents Pan Am's mechanics.

Gilles Leimdorfer/Agence France-Presse

Lisa Sliwa, left, a founder of the Guardian Angels, and other group members in the Paris Métro.

# 'Angels' Descend on Paris Métro

*Reuters*

PARIS — Four Guardian Angels descended on the Paris Métro on Monday to test their American style of crime control on the city's subway system.

"We're here to feel the atmosphere, to see if they need us. I want to see with my own eyes if there's a problem," said Lisa Sliwa, co-founder of the organization, at a news conference at Châtelet, one of the city's roughest Métro stations.

Founded in New York in 1979 by Mrs. Sliwa and her husband, Curtis, the Guardian Angels now claim more than 5,000 members. They operate unarmed patrols in subways in U.S. and Canadian cities and, most recently, in London.

The vigilante group, wearing their trademark red berets and white T-shirts with the words "Guardian Angels Safety Patrol," will spend a week riding the Métro late into the night and questioning passengers about how dangerous it is.

Mrs. Sliwa said the RATP, Paris's transport authority, and city hall had not responded to the group's request for a meeting. RATP inspectors regularly patrol Métro passages and trains.

"We don't want to give the impression they aren't doing good work," Mrs. Sliwa said. "But there just aren't enough of them to do the job properly."

Although safer than its New York equivalent, the Paris subway has a worsening reputation among locals. According to the RATP, crime on the subway and commuter network rose 21 percent in the first six months of the year, with 1,386 attacks on passengers.

# Complainers at U.S. Nuclear Plants Say They Were Sent to Psychiatrists

By Matthew L. Wald
*New York Times Service*

NEW YORK — At least four workers who complained about safety and environmental problems at four military nuclear plants run for the government by private contractors say they were ordered by their superiors to see psychiatrists or psychologists.

The workers and their lawyer all say they believe that the orders came as retaliation for the allegations they made. In two highly publicized cases the allegations against the contractors have been confirmed; in the others they have been denied.

Each of the workers says that the implication that he was suffering from mental problems was part of a long campaign of harassment that included such tactics as demotions, ridicule in front of co-workers and threats to revoke the security clearances that are required for such jobs.

Three went to the psychologist or psychiatrists at least once; one refused but fears retaliation for his refusal.

All of the companies deny inappropriate actions.

A spokesman for the Department of Energy, Philip D. Keif, said last month that a response was being prepared to the allegations.

Thomas Carpenter, a lawyer representing the four workers, complained about the referrals in a letter July 13 to James D. Watkins, the secretary of energy.

"The use of psychiatric fitness-for-duty examinations in whatever context essentially has been retaliatory, punishing dissidents by labeling them mentally incapable of service to their country," wrote Mr. Carpenter, who is with a watchdog group, the Government Accountability Project.

Representative Ron Wyden, Democrat of Oregon, said of the psychological sessions: "This is an old strategy that goes on in totalitarian countries. It's incredibly grotesque that it's being pursued here."

One of the employees who has complained, Edwin L. Bricker, processes nuclear materials at the Hanford nuclear installation in Washington state.

Mr. Bricker told congressional investigators several years ago that in preparation for a tour of Hanford by Governor Booth Gardiner of Washington, he and another worker were ordered to remove signs warning that an area was contaminated. His assertion was later substantiated.

Mr. Bricker has also made scores of other complaints, saying that fires had gone unreported, a control room had been left unattended or been staffed by unqualified personnel, and compartments for handling plutonium that were supposed to be sealed had had loose windows. Those complaints were rejected by the contractors.

He said he had suffered a variety of retaliations, including physical assault by a fellow worker and orders to pick up cigarette butts.

A spokesman for Westinghouse Electric Corp., which operates Hanford, said that Mr. Bricker had in fact been harassed by fellow workers, who feared that attention to the problems might result in the plant being shut and their jobs being lost, but he said that the company had done everything it could to stop such harassment.

The psychologist who first saw Mr. Bricker said in a telephone interview that in four and a half years at Hanford, he had seen about six workers after they had complained about safety there.

The system of referring workers to psychologists is vulnerable to abuse, he said. But he added, "If a manager is doing this nefariously, I'm not likely to know about it."

He said of Mr. Bricker, "Nothing derogatory came out of my evaluation of him."

The other three workers who made complaints were as follows:

- A heavy-equipment operator at a government weapons plant near Fernald, Ohio, Gene Branham, brought many safety grievances to management's attention, including an accidental release of uranium into the atmosphere. The government now acknowledges that the plant, run by a subsidiary of NL Industries, NLO, has released uncounted tons of uranium dust into the surrounding area.
- A worker at the Rocky Flats weapons plant near Denver, who asked not to be identified, said he was ordered to see a psychiatrist after he helped expose fraud in a shop where employees of Rockwell, using government materials, were building such items as grandfather clocks and hardwood staircases. The Rockwell International Corp. eventually paid the government for the fraud.
- A 30-year veteran of Knolls Atomic Power Laboratory, near Schenectady, New York, who also asked to remain anonymous, filed a report about asbestos contamination, fire protection problems and other safety lapses. He was demoted by the General Electric Co., threatened with a salary cut and told to see a psychologist.

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# UN Hears Attack on Romania

*Reuters*

GENEVA — In a document apparently smuggled out, a Romanian professor has delivered a report to the United Nations attacking Romania for denying human rights and, in an accompanying letter, said he was being terrorized by death threats, UN officials said on Monday.

Dumitru Mazilu, commissioned by a UN subcommittee to report on human rights and youth in Romania, said he and his family were followed day and night by more than 30 policemen who had threatened to kill him.

"They have declared that they have the approval of their leaders to kill me as soon as possible," he said, in the undated, handwritten letter.

It also said Romania's political leaders had "suspended all constitutional rights and freedoms" and were "defying all national and international laws and regulations regarding human rights."

The officials did not say how Mr. Mazilu's report and letter had reached the Subcommission on Prevention of Discrimination and Protection of Minorities, which began its annual session in Geneva.

Mr. Mazilu, former head of the Romanian Foreign Ministry's legal department, said that authorities had tried to stop him from preparing the document and had prevented him from attending the last three annual meetings in Geneva.

Romanian government officials told last year's session that Mr. Mazilu was suffering from heart trouble and was unable to travel.

Mr. Mazilu said he was hospitalized twice in 1987, but was now in good health and could work.

In an apparent reference to a plan to raze more than 7,000 villages to make way for vast agro-industrial complexes, Mr. Mazilu said there was "a real danger of a whole patrimony of culture and civilization disappearing."

# CHINA: *Capitalism Still Popular*

(Continued from Page 1)

have made people tolerant of what they see as the shortcomings of the government.

Contentment is in the air as men and women stroll around Xiamen, listening to their Walkman tape players and showing off their gold rings and fake gold watches, stopping to buy some dried squid to snack on as they pass bookstands selling "Lolita".

This is far from Beijing's vision of the Communist road, and the goings-on here are not easily reconciled with the paeans to "simple living" now in fashion, nor with the equally fashionable assertions that communism and public ownership will always dominate China's economy.

Already in Xiamen, foreign-financed private companies account for 42 percent of industrial output, and the government has mostly retreated from being the owner of enterprises to being the regulator.

There has been an economic effect from the turmoil, of course. Foreign tourists have vanished, and most investment is on hold.

But already the Taiwan entrepreneurs who are the region's lifeblood are cautiously returning — mostly to look around, rather than to invest.

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# OPINION

## America's Interest Rates

### The Right Speed . . .

Life is full of little surprises. For weeks there has been a rising chorus of anxious warnings, some of it coming from the Bush administration, that the American economy is headed toward a recession. The administration seemed to be organizing another campaign of exhortation to the Federal Reserve Board to ease up.

But to everyone's astonishment the government's statisticians have now announced that the unemployment rate actually fell in July. It was a very slight fall — too slight to have attracted attention under other circumstances. Small though it was, it suffices to demonstrate a lot of momentum in the economy's expansion. The number of jobs created last month was quite high. The jump upward in wages was also high.

If the Federal Reserve was cautious previously in lowering interest rates, it is going to have to be super-cautious now. The decline in rates may well have ended for a while. But it is no criticism of the Fed to say that the country is getting itself into trouble with its excessive reliance on interest rates alone to carry out economic policy. Because President George Bush flatly refuses to discuss the other instrument, a tax increase, high interest remains the only effective restraint on inflation.

Last week, before the unemployment figures appeared, most banks dropped their prime lending rates to 10.5 percent. As usual, the economy is producing mixed signals. Charting the right responses for public policy is not simple. But these latest reports on jobs and earnings make it pretty clear that the talk of a looming recession has been overdone. The economy remains strong — and so does the pressure on prices.

Alan Greenspan, chairman of the Federal Reserve, has made his strategy quite clear. To ensure stable growth over the long term it is essential to get inflation down, and that in turn requires a period of slow progress. He recently told Congress that the Federal Reserve expected the economy to keep growing at the present rate, 1.5 to 2 percent a year, through 1990. That is only half of last year's rate, and the inflation rate ought to fall from the recent 6 percent to 5 percent or less next year.

The Bush administration would like faster growth to help reduce its budget deficit and to sustain the atmosphere of rosy good cheer that accompanies rapidly rising prosperity. But the country has got itself into serious trouble twice in the past two decades by pressing too hard for high growth without enough attention to inflation. It happened under President Richard Nixon and again under President Jimmy Carter. In each case a surge of intolerably high inflation eventually crested and pitched the country into a severe and damaging recession. The Federal Reserve, which pays more attention to this kind of history than the White House does, is now navigating carefully to avoid a third cycle of boom and collapse. The administration has not been alone in fretting that Mr. Greenspan is too cautious. But these latest employment figures indicate that the Fed has the economy moving at just about the right speed.

### At the Wrong Rates

In a competitive world, it is always useful to keep an eye on the situation abroad. By international standards, American interest rates are still pretty high.

The prime rate in West Germany is currently 8.5 percent, and in Japan it is under 5 percent. That is because inflation is lower and their thrifty citizens save more than Americans do. Among the seven big industrial democracies, those two consistently have the lowest rates. At the top of the range are Italy, Britain and Canada, where prime rates are 14 percent or close to it. As usual, the United States and France are in the middle, although rates in France are somewhat lower this summer than in America.

You will notice that the countries with the most conspicuously rising industrial and financial power are those with the lowest interest rates. American business gets a lot of criticism for its inclination toward short-term investment strategies. Business in some parts of Europe and especially in Japan usually plays for the long term, which in the long term very often makes it the winner. But it is wrong to ascribe the American predilection for the fast payoff to the kind of cultural determinism that pop sociology loves. To the contrary, it is merely arithmetic. High interest rates enforce a short planning horizon. Low rates encourage a broad and distant one.

Does it mean that the Federal Reserve could put America on the high road to fast growth, in the Japanese style, by pushing down interest rates? Far from it. The Fed is now easing rates downward with all the caution of a man carrying a jug of TNT down the cellar stairs in the dark. If it goes too fast and misses a step, inflation will explode upward and take interest rates with it. That is what happened in Britain last year when the government miscalculated and pressed the accelerator too hard.

The United States is sliding thoughtlessly into a tradition of high interest rates. It is necessary in the short run, as long as the political quarrel over taxes remains deadlocked. But in the years ahead a continuous pattern of high rates would do real damage to the American economy. That would be the price for the political failure to deal with the deficit and to balance public spending with necessary taxes.

*— THE WASHINGTON POST.*

## Exporting Cigarettes

One U.S. official, the surgeon general, deplores the 300,000 American lives lost each year to the smoking of cigarettes. Another, the U.S. trade representative, has successfully strong-armed South Korea, Taiwan and Japan into opening their markets to American tobacco products, and may turn next to Thailand. Who is right?

The uncomfortable fact is that many people in those countries will now die because they smoke American cigarettes. Everett Koop, the former surgeon general, had an unambiguous view of the matter: "I don't think that we as citizens can continue exporting disease, disability and death."

Some people even compare American policy to the opium wars of the 1840s in which Britain forced China to accept opium grown in British India. "The Asian people hope that we will not repeat the tragedy of the opium wars," Ted Chen of the University of Massachusetts said at a recent meeting of the American Public Health Association.

The tobacco industry's reply to these criticisms is at least interesting. Unlike opium, tobacco is a legal product, in America and abroad. American cigarettes are not being forced on Koreans, Japanese and Taiwanese; many are heavy smokers anyway. In all three countries the governments held a monopoly of tobacco sales until American entry. Under U.S. law, any industry whose products face discrimination abroad is entitled to appeal for help to the U.S. trade representative. Without tobacco exports, America's trade deficit would have been $3.7 billion worse last year.

But doesn't the United States have a moral responsibility for hazard resulting from its products? No one is happy about exporting toxic waste, say, to countries that accept the fees but lack the resources to store the waste properly.

In the case of cigarettes, the duty to warn users of hazard might be fulfilled if foreigners received the same surgeon general's warning as Americans. But they don't. The leading Taiwanese government brand is called "Long Life," and the required warning in Japan reads, "Please Do Not Smoke Too Much For Your Health." American cigarettes would be at a disadvantage if forced to fight such competitors under the banner of the surgeon general's health warning.

As long as cigarettes are legal in America it will remain legal to export them. Hence it is hard to object to the U.S. trade representative's efforts to open markets in those countries that exclude American cigarettes. A better way to resolve the contradiction would be to open those markets also to American information. Wherever the U.S. trade representative opens a market, let the surgeon general follow, issuing his annual report on smoking, and nagging and scolding foreign governments as well as his own. Consumers abroad might then be equally well informed about the medical facts and the grave perils of smoking.

*— THE NEW YORK TIMES.*

## Other Comment

### Step by Step in the Middle East

Were Winston Churchill alive, he might say of Americans in the past decade that never have so many people been held hostage by the captivity of so few. Ever since an Iranian mob took control of the U.S. Embassy in Tehran on Nov. 4, 1979, the American presidency has been tied inextricably to the plight of innocent hostages held captive in contravention of human decency and international law. Last week George Bush used a combination of military and diplomatic pressure to prevent the captors of Joseph Cicippio from killing him. The president was personally involved in the diplomacy to an unusual degree, calling at least 11 foreign leaders during the week. Whether he can succeed where his predecessors failed is presently unknown. He certainly deserves high marks for trying. And he knows from experience that Americans are likely to rally around him in this crisis but could judge him harshly if he fails.

*— Lou Cannon in The Washington Post.*

One school of thought has it that the American administration should play a more active role to achieve a breakthrough in the peace process, as at Camp David. Other observers point out that the countries directly involved must be ready to take the first step. As vice president in the early '80s, George Bush was able to observe the collapse of the American peace effort in Lebanon, and thus seems inclined to take the second view. The Americans seem to be gradually coming around to the realization that a solution to the Arab-Israeli conflict does not depend exclusively on them. Despite the present furor over the hostage drama, there is nothing that Mr. Bush can do but work painstakingly, step by step, toward peace.

*— Neue Zürcher Zeitung (Zurich).*

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## Inconvenient but True: Harsh Repression in China

By Jim Hoagland

PARIS — An inconvenient truth rarely survives against a useful lie in international politics. China's Communist dictators count on this political law of evolution to make the world gradually overlook the Tiananmen Square massacre and the deepening repression of Chinese who support democratic reform.

Beijing's rulers made progress toward that goal during last week's first stage of the Cambodia peace conference here. The Chinese implicitly offered a few rubbery concessions on Cambodia so that their foreign minister could hold private sessions with Secretary of State Jim Baker and other foreign policy leaders.

These Paris meetings were important to Deng Xiaoping's two-pronged strategy of tightening repression at home while assuring the world that he wants to return to his "reform" programs as soon as "order" is established. Mr. Deng's actions demonstrate that this assurance is a useful lie being offered to those who need to find reasons to return to business as usual with Beijing.

It is not "order" that the Chinese Communist dictatorship is restoring. Even when there were millions of citizens in the streets in May demanding that their aging, morally corrupt rulers step down, there was social order and discipline in China. What Mr. Deng sent his tanks into Tiananmen Square to restore was control. He had to unleash terror to re-establish the control of the Communist Party.

The second part of the useful lie concerns Mr. Deng's desire, and ability, to return China to the same pattern of reforms that had impressed and encouraged Western investors and observers for the past decade. By dismissing, imprisoning or forcing into exile the principal government and private-sector architects of that reform, Mr. Deng has deliberately made a return to reform impossible, whatever he and his apologists pretend.

While Mr. Baker was sitting down with the Chinese foreign minister in Paris last week, the Beijing government was canceling its request to have 23 Fulbright scholars come to China for the coming school year. It was intensifying its attacks on the Voice of America and stepping up a campaign to ban all books, magazines and films that portray Zhao Ziyang and other economic reformers in a favorable light.

Li Peng, Mr. Deng's martial law prime minister, was busily proclaiming to the home audience that "the struggle is not finished." Intellectuals persecuted as "rightists" during Mao Zedong's Cultural Revolution are suffering the same fate under Mr. Deng, who is allowing a neo-Maoist movement to gather strength. Business is again being equated with corruption in official media.

American scholars, the radio, businessmen, books all carry the virus of Western influence and the reform that threatened to undermine Communist rule in China. As he tries to persuade the Bush administration that a return to reform is possible under his rule, Mr. Deng is making sure that it will never happen. One close call was enough for him.

The truth — that he is rolling back Western influence and private enterprise and that there is little the West can do about it — is inconvenient. It brings back into focus the reality that China is a Communist country with a leadership that puts maintaining its dictatorial powers above strategic partnership with the United States. The exceptions that were made when Mr. Deng appeared to be softening the shape of Communist rule can no longer be invoked — unless the reality can be blurred.

The rollback goes against President George Bush's frequently expressed view that private enterprise and democracy are on an unstoppable joint march of victory that will transform Communist societies with relatively little pain or inconvenience for the United States. China shows how uneven and uncertain the march will be.

In Paris last week, Mr. Baker provided signs that the Bush administration's initial effective policy of condemnation and measured sanctions is being eroded by the passage of time, just as Mr. Deng is hoping.

Not long after Mr. Baker flew back to Washington, the Chinese foreign minister, Qian Qichen, was proudly pointing out to French journalists that Mr. Baker and the other Western leaders had broken their own ban on high-level meetings with the Chinese by asking to see him here. This, Mr. Qian implied, was far more important than anything said at the meetings.

Mr. Baker's own account of the meeting illustrates how mild the Bush administration's criticisms of the Stalinist crackdown in Beijing have become after only two months. Mr. Baker told Mr. Qian that the American people would not understand the Beijing regime's repressive actions, reporters on Mr. Baker's plane were told. The Chinese diplomat will have interpreted that formulation as a weak slap on the wrist from an administration apparently not willing now to express its own disgust. After hearing Mr. Baker, Mr. Qian felt free to criticize the United States and other countries for sanctions adopted because of "rumors" from journalists about Tiananmen Square, where, according to him, nothing happened.

Mr. Qian knows better. About half of his ministry left their offices and marched in the May demonstrations before they were terrorized into going back to work and shutting up. The fact that Mr. Qian has been retained in office despite that lack of discipline in his own ministry shows how much Mr. Deng wants to present a picture of normalcy to the outside world. The fact that Mr. Qian is obliged to lie so blatantly about the massacre to keep his job shows how false that picture is.

*Washington Post Writers Group.*

## Hostages: Dealing With the Terrorists Is Worth a Try

By Tom Wicker

NEW YORK — Facing another of the hostage crises that wounded his two predecessors, George Bush avoided some of their mistakes and perhaps even made progress toward freeing American kidnap victims.

That is not likely to happen overnight, if at all. No agreement, moreover, that puts a stop to hostage-taking in the Middle East will be reached in peripheral negotiations.

Until real steps are taken toward settlement of Arab-Israeli issues, the Palestinian intifada and the 14-year civil war in Lebanon, and until there is a cooling of the internal struggles in Iran, taking hostages will remain an ugly tactic in the chaotic region.

However, Mr. Bush moved in three directions that seem to me realistic and helpful, even if they are only the end of the beginning rather than the beginning of the end.

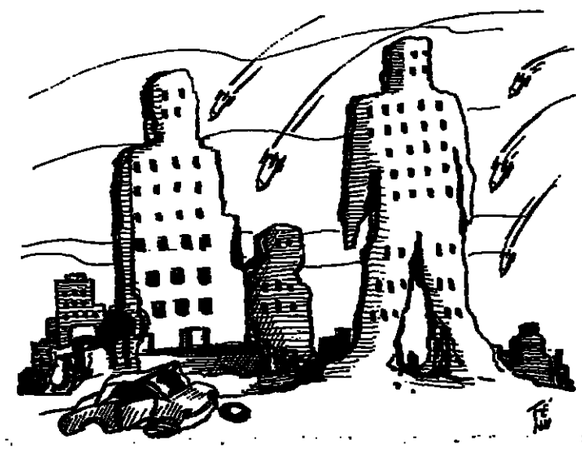
First, his statement appearing to condemn Israel for its seizure of Sheikh Abdel Karim Obeid, along with the kidnappings by Iranian and other terrorist groups, was properly evenhanded. However much it upset American Jews, however much they may feel that Israel acted from higher motives than the terrorists and should not be equated with them, it has to be remembered that Mr. Bush was trying to make a point not so much about Israel as about Hezbollah and other hostage-taking organizations.

He was sending them the message that the United States does see at least two sides to the Middle Eastern situation, that it does not merely support Israel right or wrong, that it wants to reach agreements serving the interests of all sides. That was the point, earlier, of Secretary of State James Baker's "evenhanded" speech that also upset Israeli and American Jews. That is one of the points of U.S. talks with representatives of the Palestinian Liberation Organization.

As long as those opposed to Israel believe that the United States is an unswerving supporter of anything and everything Israel wants, U.S. efforts to reach an accommodation that would recognize Israel's existence and preserve its security will be fruitless, and so, probably, will American efforts for the release of hostages.

Second, Mr. Bush did not pop off with warlike threats that he has no means of making good. His aides did leak word, after Joseph Cicippio's captors spared him, that the president had been prepared to authorize a military strike. Maybe he was, and letting such a possibility hang in the air may be cautionary, but it is doubtful that fear of retaliation saved Mr. Cicippio's life.

As Noel Koch, a former Pentagon planner, makes clear in a notable article on this page, and as terrorists know, the president has virtually no means of hitting them, save indiscriminate air strikes which would probably be counterproductive. The last time the United States tried that, against terrorist bases in Lebanon, was the fiasco of December 1983 that cost the United States two aircraft and had little effect on terrorism. Mr. Bush lacks good intelligence in the Middle East, as to who and where the terrorists are. Even if he knew, the United States has properly made individual political assassinations illegal, and its armed forces are not equipped, prepared or eager for counterterror activities. As Mr. Koch points out, any military action that Mr. Bush orders might ease domestic political pressures but would have little real effect on the kidnappers.



Third, the president welcomed an elusive statement by President Hashemi Rafsanjani of Iran that the hostage problem was "solvable." Mr. Bush's reaction suggests — although he certainly did not say it — that he is willing to back away from the old, sterile, ritualistic U.S. insistence that it can never in any circumstances "deal with terrorists."

The Iranian president may have been talking only for effect, and nothing may come of his apparent offer. But if Mr. Bush is willing to talk about the problem with those who may have some control over it — and it is not at all clear that Mr. Rafsanjani or any Iranian official has such control — a sensible avenue of negotiation may yet be opened.

If so, Mr. Bush will deserve no outraged complaints about "rewarding terrorists" or "paying ransom." Neither need necessarily be involved in discussions with people who might be able to effect the release of hostages — whose lives surely should be weighed heavily against any abstract and so far ineffective "principle." If something that might be construed as reward or ransom is required, it can be considered at the time and in the circumstances involved.

Force is not a useful choice. "Dealing with terrorists" may be. Mr. Bush needs at least the leeway to find out.

*The New York Times.*

## Deterrence Would Require Putting Terrorists at Personal Risk

By Kenneth de Graffenreid

WASHINGTON — The gruesome pictures of Lieutenant Colonel William Higgins's corpse that flashed around the world carried a message: America's anti-terrorism policy isn't working. It doesn't deter terrorists from killing Americans.

Deterring terrorists from taking American lives means, in practice, holding the leaders of terrorist organizations responsible and personally at risk for their actions. It means holding their political sponsors responsible as well.

Terrorists traffic in death to advance their political purposes. They will not stop unless their fear of bodily harm outweighs the political advantage to be gained from their acts. For the United States, that means threatening terrorists with the probability that if they kill Americans they will be killed themselves.

Officially, Americans have come to equate the justifiable use of force against a terrorist (other than in a rescue attempt) with assassination. A presidential executive order that bans assassination has been used, inside and outside the government, to argue against the use of force against terrorist groups. But "assassination" is the wrong word to describe the use of deadly force against terrorists.

In some terrorist crises, America has sent flotillas of warships toward Lebanon and squadrons of bombers toward Libya. Bombing and shelling almost certainly kill more people, especially innocent ones, but these impersonal tactics are "military," and therefore morally acceptable.

Whatever the moral advantages or dilemmas of the American approach, it is not working. Indeed, nothing tried in the past decade in dealing with terrorism has worked very well — threats, bribes, arms deals, battleship barrages, aircraft bombing runs.

What would it take to apply the concept of deterrence to terrorism? Are Americans prepared, morally and politically, for the steps required? If the answer is no, then they can at least stop the national breast-beating and admit that, for America at least, terrorism is a problem to be endured rather than solved.

□

If Americans decided to deter terrorism, rather than endure it, some changes would be needed. The experience of the last decade suggests that success in holding terrorist groups and their leaders at risk depends on improved intelligence — collection, analysis and special operations.

*Collection:*

Gathering intelligence on terrorist groups, particularly in the Middle East, is perhaps the most difficult of intelligence tasks. Most terrorists in the region are related by blood or marriage and in many cases were raised together in small villages. Putting an agent inside these groups is almost impossible. Even if it were possible, the terrorists could demand that the agent commit a terrorist act himself, which the United States could not permit.

Electronic and overhead surveillance don't help much either, since these groups make only limited use of electronic communications and are difficult to spot in a satellite photograph. As difficult as it may be, the use of human intelligence agents in dangerous situations is vital.

The Reagan administration and many in Congress spent much of the past decade talking about the need for more emphasis on human intelligence, but substantial budget increases for intelligence in the first half of the Reagan years did not bring the required commitment to building this capability. Far too often, bureaucratic turf battles went unresolved while inertia sapped the energy from the most well-conceived plans.

If America is to fashion an effective deterrent policy, it must have an aggressive clandestine service that can mount operations clever enough to reveal the actions, thinking and vulnerability of terrorists. Such operations are risky and difficult, but they are not impossible. For example, the CIA could penetrate less cohesive supporting groups — arms suppliers, friendly political leaders and others in close contact with terrorists.

Disruption could be combined with collection. The United States could mount provocations or psywar operations for the purpose of sowing dissension among terrorists and their supporters. It should be looking for opportunities to exploit family rivalries, or to undermine terrorists' political standing and demythologize their cultivated bravado.

U.S. activities, to be effective, must be genuinely covert — and, if necessary, deniable. Working under thin cover as an embassy diplomat simply will not do. A sizable force of "non-official" deep-cover intelligence operatives is expensive and bureaucratically untidy, but that should not stand in the way. And once this capability is acquired, it must be kept secret. This means offending many officials in the executive branch and Congress. A deep-cover force won't work if hundreds or even scores of people know about its activities.

*Analysis:*

Despite current limitations, Washington does know a lot about terrorist groups. It often has the capability to find where hostages are. In many cases there is enough information to be able to design and, if necessary, execute counterterrorist operations, including hostage rescues. There have been several successes in locating terrorists, apprehending them abroad and returning them to U.S. jurisdiction for trial under powerful new anti-terrorist statutes.

Even with the best intelligence information and analysis, no counterterrorist operation is without substantial risk. But it is essential that officials in the intelligence community convey to political decision-makers analysis that balances risks with opportunities for success. Far too often, assessments speak only to the difficulties involved, thereby seeming to invite a negative decision.

*Special operations:*

In the decade since Desert One, the failed hostage rescue mission into Iran, the United States has built an impressive array of counterterrorist capabilities at the CIA, the FBI and the Pentagon. Some bureaucratic and policy problems remain, but these units are probably as well-equipped and well-trained as any in the world. On numerous occasions the United States has tripped up terrorist plans — it just hasn't publicized the fact.

□

Deterrence depends on will. When a political leader is weighing whether to take decisive action, his assessment of risk will turn on his level of confidence in the mission's probable success. It is here that problems of intelligence collection become roadblocks. Intelligence officers seldom have that 100 percent confidence that makes it easy for decision-makers to act. A request for "options" often yields a list of all the things that can go wrong.

Another inhibiting factor is the hyper-caution of senior officials, born of the intense and often politicized criticism of mistakes in the last 20 years. Because there is no initiative without risk, and because risk implies the possibility of failure, and because failures have brought both bureaucratic and personal disasters, the bias is to play things safe. The result is inertia.

The only way to be ready to deter the next terrorist incident is leadership — in the intelligence community, Congress and the White House — and a commitment to hold terrorists at personal risk for their cowardly acts.

*The writer, senior director of the National Security Council's intelligence programs from 1981 to 1987, is currently with the National Strategy Information Center. He contributed this comment to The Washington Post.*

## Why Washington Can't Fight Terrorists

By Noel Koch

ARLINGTON, Virginia — President George Bush has been exploring the use of force for retaliation. He was prepared to order an air strike against suspected terrorist bases in Lebanon if kidnappers had carried out their threat to murder Joseph Cicippio. While that might have satisfied domestic political demands to do "something bold," it is not clear that such an action would be an effective blow against terrorism. Indeed, nothing more fully defines the severe limitations of the power at the president's disposal than this option.

Retaliation, as an option, must meet certain minimal criteria.

*Precision:* It is necessary to strike with accuracy at the source of the offense. Indiscriminate slaughter will stamp the United States as a bully run amok. To act with precision requires information. U.S. intelligence capabilities, however, especially in the Middle East, are notoriously spotty.

*Proportionality:* It is a principle of international law that the punishment should fit the provocation. Proportionality requires an ability to conduct operations well below thresholds of wartime violence. Yet, as has been argued for much of the past eight years, the United States does not have forces tailored for the levels of conflict that have tormented it for much of the past 25 years.

In 1986, over the strong objections of the Pentagon, Congress passed legislation requiring the restoration of such forces. The Department of Defense barely observed the letter of the legislation, much less its spirit, until the advent of the Bush administration.

One result of this deliberate neglect is that the president does not yet have a full array of the tools required for a proportional response to acts of terrorism. The options with which he has been provided by the Pentagon apparently lean heavily, if not exclusively, to air strikes.

*Proximity in time:* Retaliation should be carried out while outrage over the offense is still fresh. An act of retaliation cannot be undertaken a month after the event that called it forth. People will have forgotten what the issue was in the first place and the necessary political support will be gone. But the president will find that the state of military contingency planning, as well as the positioning of forces needed to carry out a retaliatory action, will not permit him to act on a timetable of his own devising. He will be required to wait. And wait. While he waits, he is not in control of the circumstances with which he must deal. They control him.

Even if everything were all in order, there would still be a hurdle as infuriating as it is insurmountable: the fact that the president's people are proscribed by law from the singling out of specific individuals.

The president can rain 500 pound bombs on a target, killing everything within reach, and do it within the law. But he cannot order his people to kill a certain individual. If he does, he is in violation of law, and if they do, they are in violation of law. Indeed, if they even plan such a thing, they are liable for prosecution.

Aside from the objective constraints on retaliation, few of the president's advisers will encourage him to act. (To be sure, his political and public affairs people will insist that he must do "something bold.") However unflappable Secretary of State James Baker may be, the State Department bureaucracy will be aflutter at the prospect of any action at all.

And the least enthusiastic, those most inclined to wince at the injunction to do "something bold," are those who have to carry out the orders of the commander in chief. The U.S. military is not enthusiastic about retaliatory actions. It is not in the business of vengeance; it is in the business of defending the nation. The military sees pertinent distinctions between the two, and the laws support them.

We may nevertheless see a retaliatory action in the Middle East. If it comes, it will come in the service of domestic political necessity. We should not expect it to affect terrorism. Current laws and institutions prohibit America from doing anything to use force to affect terrorism.

*The writer, a former director of special planning at the Pentagon, contributed this comment to The New York Times.*

## 100, 75 AND 50 YEARS AGO

### 1889: Pasteur Honored

PARIS — The Paris students, accompanied by the delegates from foreign universities now in Paris, marched in force yesterday morning [Aug. 7] to the Pasteur Institut to pay their respects to the savant who there reigns supreme. Mr. Pasteur received his visitors at the entrance. After shaking hands with each of the French and foreign diplomats, Mr. Pasteur thanked his visitors for the honor they had done him.

### 1914: British Landing

BRUSSELS — The French Ministry of War, at 11:30 last night [Aug. 7], issued an official statement that the landing of British troops to cooperate with the French and Belgian armies had commenced. The various units were loudly cheered by the people of the towns at which they were placed ashore. The landing operations were carried out quickly and in excellent order, under the direction of French officers speaking English. The British soldiers quickly took up their quarters. Their comments show that the exasperation of the British people against Germany has reached its height. The British soldiers are delighted at coming to fight on the continent side by side with their French and Belgian comrades.

### 1939: Slovaks Complain

BERLIN — Less than five months after Slovakia appealed for "German protection" against alleged persecution by the Czechs, direct and detailed charges against their new "protectors" are now being made by Slovak citizens in Bratislava. Some of the complaints are being delivered by the open mail to Berlin. They charge Slovakia's powerful neighbor with subsidizing pan-Germanic propaganda and German secret service agents in the Slovak government. The eventual German aim is stated to be the use of Slovakia as a military corridor leading to the heart of Poland.

# OPINION

## He Blows the Big Whistle And Nobody Is Listening

By David S. Broder

WASHINGTON — One of the perverse rules of behavior of the Washington press corps is our tendency to savor being told secrets while ignoring what is on the public record. Eight years ago, there was a huge furor when William Greider disclosed the previously private views of David Stockman on the perils of the fiscal policy that Mr. Stockman, then the budget director, had helped create and move through Congress earlier that year.

Mr. Stockman's phrases — his observation, for example, that "the hogs were really feeding" when the special interest lobbies finished with the tax *bill* — created a sensation. He had made the comments in what were originally off-the-record, one-on-one conversations with Mr. Greider.

The man who now holds Mr. Stockman's job as director of the Office of Management and Budget, Richard Darman, sounded an equally urgent note of alarm late last month about the selfishness of fiscal policy. But in contrast, he caused scarcely a ripple.

Mr. Darman's mistake was that he didn't leak his views, but stood up and delivered them, of all places, at the National Press Club. If you want to be ignored by most of the press, apparently the place to go is the National Press Club.

Despite our deafness, what he had to say is every bit as important as Mr. Stockman's warning that the tax and spending decisions of President Reagan's first year had opened up the prospect of unending deficits — and the slow erosion of U.S. economic independence.

Mr. Darman called the deficit "one more symptom of" a cultural impatience, an unrestrained appetite for satisfying immediate wants immediately that he called "now-now-ism." It is, he said, a "formula for trouble" and "borders dangerously on imprudence."

"In our public policy," he said, "we consume today as if there were no tomorrow." The evidence:

Despite claims of progress in narrowing the budget deficit — achieved largely through phony bookkeeping devices — the public debt this year is expected to climb past the $3 trillion mark. Interest payments on that debt have risen to 15 percent of the budget, almost $180 billion that, as Mr. Darman said, "buys the future nothing and ... buys the present nothing more than the ability to keep its borrowing game going."

The interest payments and the debt are far higher, if you use honest accounting methods, which the government has chosen not to do. Indeed, said Mr. Darman, the trust funds for Social Security, Medicare and other transfer payments "that pretend to hold 'surpluses' for future beneficiaries in fact hold billions of dollars in unfunded IOUs. These are a little surprise for the workers of tomorrow left by the consumers of today."

Those are but two items in the bill of particulars he offered. It amply proved his contention that "collectively, we are engaged in a massive backward Robin Hood transaction — robbing the future to give to the present."

It took some courage for Mr. Darman to say this, while serving in an administration whose motto remains the Bush campaign song refrain, "Don't worry. Be happy."

Still, in a meeting with reporters a few days after his speech, Mr. Darman ducked and dodged on budget policy questions. He suggested that the deficit might again be cut below the (magnificently elastic) Gramm-Rudman-Hollings targets without new revenues and defended the administration's shell-game scheme for keeping the multi-billion-dollar cost of the savings-and-loan bailout "off-budget."

It would be nice if public servants as smart as Mr. Darman were also 100 percent consistent and principled. If he were, he would be pointing out that the needs he identifies cannot be financed so long as the budget deficit sops up private savings and inhibits federal spending. These needs include an improved education system, the repair and modernization of the transportation system, an increase in the research and development investments on which U.S. economic and technological advantage has rested, and the reassertion of America's leadership in space.

But Mr. Darman's refusal to cross the T's and dot the I's does not excuse the press's inattention to the obvious implications of his analysis.

We in the press have been criticized, and rightly, for ignoring the inspector general's public reports about the fraud, waste and mismanagement in Mr. Reagan's Department of Housing and Urban Development. The costs of the HUD scandals are small potatoes compared to the risks in the fiscal policy toward which Mr. Darman, like Mr. Stockman before him, has directed attention.

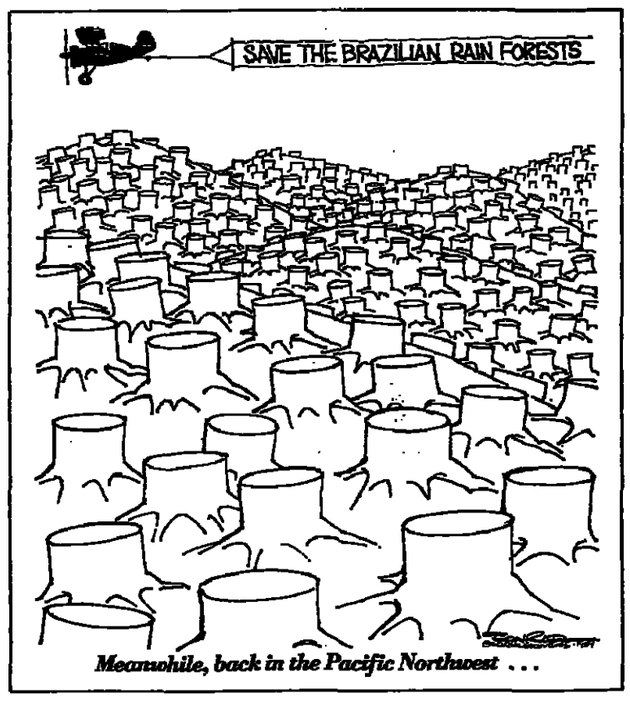
There is no excuse for ignoring them.

*The Washington Post.*

## The Watchdog Slept

WHATEVER else the parade of Sinclair Lewis characters parading before Congress to praise greed as get-up-and-go represent, the HUD scandal should be seen as a colossal failure of American journalism. Those of us who collect and distribute news were blind — doubly blind because this is a two-level scandal, national and local at the same time. Correspondents in Washington missed it, but so did the reporters in cities and towns where well-placed Republicans were lining their pockets as unnecessary buildings were being built or renovated. This kind of stuff is supposed to be the bread and butter of a free and freewheeling press.

*—Syndicated columnist Richard Reeves.*




*Meanwhile, back in the Pacific Northwest ...*

## One August Morning in Hiroshima

By Yasuo Takeyama

TOKYO — Forty-four long years have passed since that fateful day in Hiroshima. For three years I lived in utter debility and lethargy, suffering from all the aftereffects of atomic bomb disease. "Tomorrow and tomorrow and tomorrow" crept at a painful pace, each night prolonging the agony of imminent death.

The sun was a ball of fire in a cloudless sky on that Aug. 6 morning. I was serving as an officer of the Imperial Fleet and naval air force headquarters staffs. Due to report to a 10 A.M. staff meeting at the Kure regional headquarters of the Imperial Navy, I boarded the 8 o'clock train on the Kure line at Hiroshima station, took off my military jacket, threw the window wide open and began reading as I waited for the train to leave.

At 8:15 A.M., out of the corner of my eye I caught sight of an incandescent pillar of magnesium flash about one foot wide and reaching as far up in the sky as I could see. I have no memory of the roar of the explosion.

The next moment, it got pitch dark and I was dashed to the aisle. "Another engine boiler blowing up, for heaven's sake!" I thought, until an officer shouted, "It's an air raid!"

I grabbed my jacket, bayonet and briefcase, crawled to the end of the car and jumped out onto the tracks. Boxcars were toppled sideways and the station building was ablaze, the smoke obscuring the bright sun. I glanced back and saw the train catch fire and burn uncontrollably. Had I been knocked senseless by the blast, I would have been incinerated.

I clawed my way out of the station precincts and ran to seek the designated shelter at the Imperial Army's east drill ground, only to step right into an inferno of piles and piles of dead bod-

**MEANWHILE**

ies, with their thin summer clothes ripped off and their faces, heads, backs and torsos scorched, some of them half immersed in muddy pools of water, and faint and dying groans of "water, water" rising on all sides.

I was bleeding profusely, all the way down to my belt, and my throat burned. As I tried to plug the hole in my throat with my handkerchief, suddenly large drops of a summer shower began to fall on the scene.

The next thing I knew, I found myself in one of the shelters the army had managed to set up all across the city, in the company of a young girl cradling herself in tattered shreds of what must have been a white summer blouse, and miserably sobbing at the reflection of her terribly burned face in her hand mirror.

I waited until her tears subsided and asked her to let me use her mirror. I was shocked to find a gaping cut about an inch long across my throat, exposing the pinkish vertical line of my trachea and the dark column of the artery throbbing beside it.

I made my way back to the Red Cross sign of a field hospital station that the Kure naval hospital ambulance team had set up in one corner of the drill ground. I identified myself and asked for emergency care. The medic said, "It's going to hurt like hell, sir, but try and hold on!" He yanked off the blood-soaked handkerchief I had stuffed into the hole in my throat and poured in some tincture of iodine.

I almost fainted. My knees gave way and I fell into one of the trenches dug for drills in anti-tank warfare. They pulled me out, and I looked around, only to find rows and rows of dead bodies under the shelter of a makeshift tin roof.

I looked in the direction of the downtown area and saw the city shrouded by dark clouds and the fumes of death, while roaring flames licked across the apocalyptic landscape.

It was no use trying to reach my office at the center of Hiroshima, and I began to trudge back to my boarding house. I later learned that the blast center was not far from my office.

I carefully picked my way across the Sanyo trunk line, and crossed several bridges until I reached Koi station, the second stop from Hiroshima, which had burned down and was still smoldering.

As I went on, singing marching songs to cheer myself up, I was stopped by the sight of a man wrapped in a straw mat laboriously picking himself up from the rice paddy by the tracks, and falling down again as he called my name.

He was First Secretary Kuzuhara, who was under my direct control at the office. He was stripped and terribly burned from the waist up. With great difficulty, I held him in my arms and carried him along, until, thank heaven, a small Datsun picked us up not far from the Koi station.

The driver happened to be working at Mitsubishi's Hiroshima shipyard, then under my supervision. We took Kuzahara to my boarding house and for three days and three nights I did all I could to save him. Alas, I lost one of the most personable and dependable, careful and faithful of my men, and returned him to ashes in the confused aftermath of the *Pika-Don* — the Big Bang.

I commandeered a truck the next day and began to go daily to the burned-down office in the city. I gathered the remains of my colleagues — charred pieces of bone scattered above the ground and several bodies stifled to death in the basement — which soldiers helped me to burn with gasoline on the banks of the Ota River. The ghastliness of reducing the naked bodies to ashes without so much as a makeshift coffin is indelibly imprinted in my mind's eye.

Soldiers used firemen's hooks to pull ashore the naked bodies that floated down the river, piled them up and burned them day and night. (For about six months after I was discharged from the navy in October 1945, I used to feel sick at the harmless sight of a broiled fish, and my stomach refused to take it.)

The same grisly rites were repeated on block after block, which all had been reduced to rubble. Day and night, the air was filled with the putrid smell of death, and the eerie flickers of cremations created a hell on earth.

Within two weeks of the fateful day, my throat wound began to granulate, and I survived a life-or-death crisis. It must have been the hands of God that had sustained me. I also have to thank the youthful recuperative vigor of my 22-year-old body and, more importantly, the precious supply of badly needed nutritious food provided by the late Taro Kawakami and his wife Shigeko.

Brimming with love for me as if I had been their kid brother, the Kawakamis looked after me with the tenderest care and allowed me to quaff nightly cups of unheated sake, presumably as a final gesture to a young man facing imminent death.

Hiroshima represented my second birth. I was reborn that fateful morning to devote the rest of my life as a journalist, to be a living testament to survival and to fulfill my duty to make this world more peaceful. I keep telling myself, "I died in Hiroshima, and I live by Hiroshima."

*Mr. Takeyama is retired chief editorial writer of Nihon Kazai Shimbun. He contributed this to The New York Times.*

## LETTERS TO THE EDITOR

### An Israeli 'Act of Justice' and the Cost to America

The so-called leaders of the Western democracies are horrified over the reported execution of Lieutenant Colonel William Higgins, the U.S. Marine officer held hostage by a pro-Iranian extremist group in Lebanon since February 1988. Their outrage, and particularly the condemnation of Israel's recent seizure of the terrorist leader Sheikh Abdel Karim Obeid, is cowardly and hypocritical.

Israel took into custody a man known to have been involved in kidnappings in Lebanon. What shameful fear motivates Western leaders to term this act of justice "state terrorism"? Terrorists and perpetrators of violence should be apprehended and punished whenever and wherever possible. To denounce the apprehension of such individuals is to give aid and comfort to those whose goals and methods are inimical to Western civilization.

If Western governments think that quiet acquiescence will contain the spiral of violence in the Middle East, they are deluded. It is not Israeli action that caused the death of Colonel Higgins, if he did in fact die. (This is not the first time that his captors claimed to have killed him.) It is rather willingness to stand by idly as terrorism continues and to negotiate with terrorist organizations, sending the message that unrepentant kidnappers, bombers and murderers are welcome, so far as the the United States is concerned, at the conference table.

What has the United State done to bring the kidnappers and killers to justice? On what moral ground can it decry an attempt by another nation to free captives and to deal properly with their captors?

MATTHEW SAAL.
Oxford, England.

To maintain that Sheikh Obeid was abducted to serve as a bargaining chip to obtain the release not only of Israeli captives but of all Western hostages is out of character with Israel's record concerning the exchange of prisoners. The concern of Israel's government for the fate of the non-Israeli hostages became manifest only after Colonel Higgins's fate became known, and is to be attributed to the business of fence-mending.

Prime Minister Yitzhak Shamir has turned a deaf ear to international proposals that he free Sheikh Obeid. Would his principles survive if he learned that the same Damocles sword had been hung over the heads of the Israeli hostages as well?

ELLEN WRIGHT.
Paris.

Israel's kidnapping of Sheikh Obeid is not the first example of its aggressive, self-serving policies at the expense of the United States. The Israeli government has demonstrated time and again that despite the billions of dollars in aid received each year from American taxpayers, it will lie to Americans, spy on them, manipulate American media, attempt to aggravate delicate U.S. relations with friendly Arab nations, as well as lobby and threaten members of Congress who might otherwise place the interests of their own country above those of Israel.

Why does Israel constantly bite the hand that feeds it? The real question is, why not? The United States has demonstrated over the years that it will continue to support Israel, both economically and politically, even when it is clearly to its own disadvantage to do so.

BENJAMIN J. SHELTON.
Paris.

Bravo Israel! I admire your courage in abducting the Hezbollah leader Sheik Obeid. I wonder if you would still exist if you consulted your allies every time before taking action.

PETER TANGL.
Geneva.

Terrorism will continue unless the Israeli-Arab conflict is resolved. Each day, new Abdel Karim Obeids are born — born to fight until their land is liberated from the Israeli occupant.

A comprehensive peace settlement is the only remedy. The question is, why is Israel afraid of peace? There must be some Israelis who are capable of thinking ahead, in a region where human history was forged.

NAZAL al-AMIR.
Pampigny, Switzerland.

A failure to respond to terrorism causes loss of face. The only remedy is for the United States to hit back with all its power. The possibility of some casualties among innocent people should not be a consideration; it is not for terrorists.

TUVIA GOLDSTEIN.
Brussels.

## GENERAL NEWS

# Cuba Rounds Up Human Rights Leaders

By Joseph B. Treaster
*New York Times Service*

MIAMI — Apparently trying to silence human rights protests in Cuba, security policemen in Havana went to the homes of three of the country's leading human rights workers before dawn Sunday morning and took them away for questioning, friends in Miami said.

The three were Elizardo Sanchez, the head of the Cuban Commission for Human Rights and National Reconciliation; Hiram Abi Cobas, the acting head of the Human Rights Party of Cuba; and Hubert Jerez, the president of the José Marti Commission on Human Rights.

Ramón Cernuda, a Cuban exile who is a book publisher here, said he received the information by telephone from Mr. Sanchez's brother, Gerardo, who said he watched as 18 to 20 security policemen entered the Sanchez home shortly after 5 A.M., seized Mr. Sanchez and carried out a four-hour search.

Mr. Cernuda said the police gave no explanation for the arrest, but confiscated papers, books and an enlarged photograph of Mr. Sanchez and Senator Edward M. Kennedy that was taken in Washington last summer.

Mr. Sanchez, who is probably the best-known human rights worker in Cuba, and Mr. Abi were being held at Villa Marista, the headquarters of the security police, Mr. Cernuda said. He said Mr. Abi's wife had been told that Mr. Jerez was also being held there.

Mr. Abi was arrested in April for trying to mount a protest demonstration while Mikhail S. Gorbachev, the Soviet president, was in Havana. He was sentenced to three months in jail but was released on probation because of a heart condition.

Mr. Sanchez began an eight-month stay in jail in September 1986 after he met with two foreign correspondents, who were later expelled.

There was no indication of how long those arrested Sunday might be held. But American experts on human rights said that even if they were released quickly the arrests would most likely lead to a curtailment in human rights activity in Cuba.

# Milosevic Goals: A 'Delicate Question'

By Henry Kamm
*New York Times Service*

BELGRADE — The hottest political topic in Yugoslavia is Slobodan Milosevic — what he has done and, even more, what he might do next.

The 47-year-old president of Serbia, the country's largest republic, has aroused such hopes and fears that Yugoslavs say no leader here since Tito, who ruled autocratically from World War II's end until his death in 1980, has made himself such a dominant personality.

The political career of the former banker and industrial executive began only five years ago. But since then he has made himself the undisputed leader of Serbia and has done so with such determination, which his many opponents describe as ruthlessness, that many say they believe the Serbian chief will not stop short of seeking to rise to the top of the nation, a federation of six republics.

Because the six republic leaders now take turns being president in the collective national leadership, Mr. Milosevic would have to have the constitution changed to have himself installed for a longer term as president of the nation. Some of associates say they believe that he may seek such changes.

Many Yugoslavs and diplomats say they believe that he has national ambitions. Members of his entourage reject one widespread opinion, that he considers himself "a new Tito," but agree that he might seek national power.

A political scientist who holds a position in the Milosevic camp and requested anonymity said: "His ambition is a delicate question. It is too early to talk about his departure from Serbia before Yugoslav conditions have been created for him to move on. It is pointless to hold a federal position when such jobs hold no power. I doubt he would leave until the constitutional system changes and collective leadership is abolished."

The hopes that Mr. Milosevic will continue to rise are concentrated among the Serbs, the largest nationality in this multinational country, where population groups coexist uneasily.

But because Serbs number about 9 million in a nation of 23.3 million, double the size of the next-largest group, the emergence of an exceptionally strong and popular Serbian leader has spread fear among the other nationalities in the other republics, Croatia, Slovenia, Bosnia and Herzegovina, Montenegro, and Macedonia, plus two autonomous provinces, Vojvodina and Kosovo.

Since Yugoslavia was formed in 1918, keeping Serbia from exerting its numerical and historic power has been widely considered the key to preserving national unity. Yet an appeal to Serbian nationalism has powered Mr. Milosevic's rise.

To Serbs, "Slobo," as most call him, has righted the wrongs inflicted on their nation since Yugoslavia was created.

Most other Yugoslavs believe that Mr. Milosevic has aroused nationalism to its highest pitch, thereby threatening the delicate ethnic balance.

"Serbia was politically and economically dominated in Yugoslavia," said Professor Kosta Mihailovic, an economist and member of the Serbian Academy of Science. "An anti-Serbian coalition existed for a long time. We occupied a vassal position in Yugoslavia. This was totally changed by the appearance of Slobodan Milosevic."

The enthusiastic support for a Communist leader by men like Mr. Mihailovic — and even by anti-Communist dissidents — is a phenomenon as new as Mr. Milosevic's rise and a major reason for concern among non-Serbs.

Since communism came to power in the person of Tito, Serbian intellectuals have been reluctant to support the party, because of curbs on intellectual freedoms and a belief that the president kept Serbia from exercising its rightful weight.

"Revanchist ambitions against Serbia characterized the post-war period," Mr. Mihailovic said. "The others wanted the rate of growth of Serbia's economy to be the lowest."

Mr. Milosevic has restored what Serbs consider their dignity. Other Yugoslavs and foreign diplomats, depending on their point of view, say he has merely roused nationalism or even chauvinism.

Mr. Milosevic reached a new high point this year over the issue of Kosovo, an autonomous province of Serbia where ethnic Albanians are the majority and ethnic strife is endemic.

He laid the base of his popularity in Kosovo two years ago, when the police used force to hold back a crowd of Serbians protesting against Albanians. He made the police halt, saying: "No one has the right to beat you. No one will ever beat you again."

Large pro-Milosevic and anti-Albanian rallies have been held in Serbia and elsewhere in support of stronger Serbian rule over its two autonomous provinces.

Finally, this year, federal consent was obtained for an amendment to Serbia's constitution to that effect; a result was an ethnic Albanian protest movement that was put down by military force and mass arrests.

One of Tito's legacies is a constitution written to prevent his successors from holding the exceptional powers he exercised. Yugoslavia and its constituent parts, as well as the ruling party, are run by collective, rotating leaderships.

"Milosevic is against collective leadership because it is an alibi for individual irresponsibility," his associate said. "He believes in personal responsibility, courage, and competence. We don't have that yet in Yugoslavia."

The comment lends support to a belief that Mr. Milosevic will eventually demand the creation of a federal president with strong executive powers and propose himself for the post.

Unconfirmed reports circulate accusing Mr. Milosevic of vindictiveness against critics.

One of the purported victims is the U.S. ambassador, Warren Zimmerman. He and Deputy Secretary of State Lawrence S. Eagleburger have apparently angered the Serbian leader with public criticism of the treatment of ethnic Albanians.

As a result, Mr. Zimmerman, who has been here since March, has failed to obtain an appointment with Mr. Milosevic.

Another reported target is the Yugoslav ambassador to the United States, Zivorad Kovacevic.

Mr. Kovacevic has been recalled after only two years' service despite Yugoslav and American recognition of exceptional performance because, according to informed Yugoslavs and diplomats, Serbia objected that he failed to prevent Congress from passing two resolutions against human-rights violations against Kosovo Albanians.

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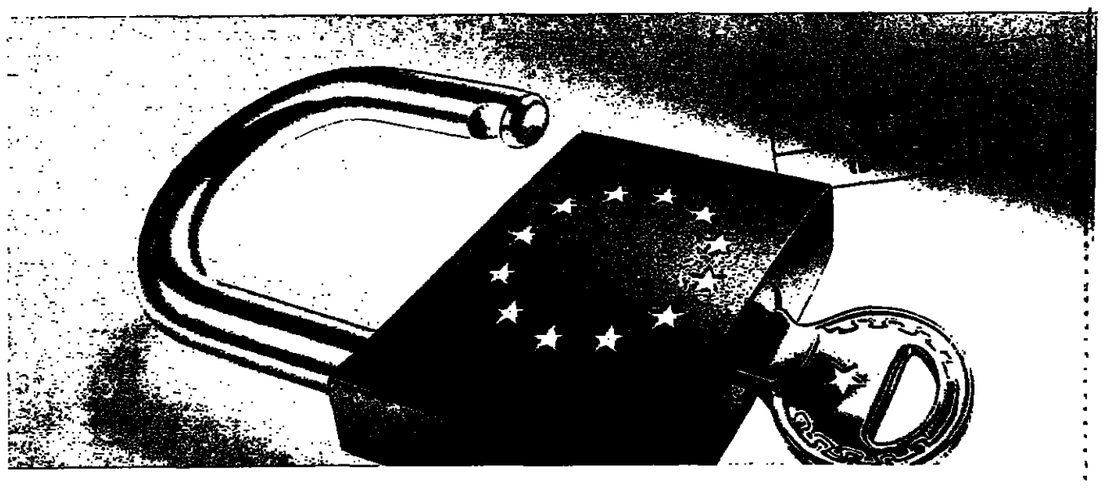

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# Japan's Would-Be Leaders Make Pitches

*Compiled by Our Staff From Dispatches*

TOKYO — Toshiki Kaifu, the candidate likeliest to become Japan's next prime minister, called Monday for the overhaul of an unpopular sales tax but endorsed the governing party's economic and foreign policies.

"We must revamp the sales tax into a welfare-only tax to win support for our policy to finance Japan's aging society," Mr. Kaifu, a former education minister, told a Liberal Democratic Party convention.

The convention was called to hear policy speeches by the three candidates running for party president, who by virtue of the party's majority in the lower house of parliament will be prime minister.

The prime minister will be named Wednesday after a parliamentary vote; for Tuesday's vote on the Liberal Democratic presidency, Mr. Kaifu is acknowledged to have mustered the support of most factions within the party.

Prime Minister Sosuke Uno has announced that he will resign, following the party's resounding defeat in last month's upper house elections.

The party lost its majority for the first time since it was formed in 1955, because of a 3-percent sales tax, imposed on goods and services since April; a sex scandal, allegations that senior party members received large illegal payoffs and farmers' discontent over government policies to free farm imports.

The other two candidates are a former welfare minister, Yoshiro Hayashi, and a former transport minister, Shintaro Ishihara, who is a popular author. The candidates presented their positions Monday in nationally televised speeches.

Mr. Kaifu, 58, said Japan should play a greater role in the world, including helping Mikhail S. Gorbachev's efforts for change in the Soviet Union. "It is not enough for Japan to simply maintain the security treaty with the United States and not to play a more responsible role now that Japan has grown so powerful and economically affluent," he said.

Mr. Ishihara said that "Japan needs a new leader who is not merely a 'yes' man in ties with the United States." He said: "The party's leadership still lacks a sense of crisis. It seems as though the prime concern for many party members is no more than self-protection. I think the LDP's decline has come to the point where it can't fall any further."

Mr. Hayashi criticized party authorities for mishandling the Recruit payoff scandal. "The anger of the people is not over with the result of the upper house election," he said. *(Reuters, AP)*

# Salmon, and Tourists, Return to Valdez

By Hal Bernton
*Washington Post Service*

VALDEZ, Alaska — Locals call it Winnebago Point, a rocky stretch of coastline leading out to the trans-Alaska pipeline oil terminal.

Last weekend, the point parking lot was crowded with motor homes driven up the Alaska Highway from Florida, Montana, California and a dozen other states. The tourists come to angle from shore for pink salmon returning to a nearby hatchery.

This year, despite the Exxon Valdez tanker oil spill, the tourists are back.

"All my friends will say when I get back home, 'Did you get to Valdez?' So I figured I'd better go," said Robert Pray, 75, a retiree who drove a camper truck from Poughkeepsie, New York. Four months ago, Alaska tourism officials feared this would be the summer of no-shows in the state's third-largest industry.

Millions of dollars had been spent promoting Alaska as unspoiled wilderness, but in the weeks following the March 24 spill, as news coverage focused on oil-stained waters and dead wildlife, officials feared tourists would be scared away.

The Alaska Tourism Marketing Council persuaded Exxon Corp. to fund a $4 million emergency advertising campaign and recruited Governor Steve Cowper to barnstorm the lower 48 states to tout Alaska vacations.

The oil still clings to hundreds of miles of Alaska coastline, defying the efforts of a cleanup army of more than 10,000 workers. But almost all the oil is miles from major cruise routes and has not kept the tourists away.

As the tourist season peaks, the year appears to be shaping up as one of the strongest on record, although its bounty is unevenly distributed. In Anchorage, a hub for bus and train tours into the interior, there is barely room to lodge the tourists. Although more space is available than ever before — 5,000 rooms — all but a few are booked. The Anchorage Convention & Visitors Bureau has set up a hotline giving daily updates on vacancies.

While in Anchorage, tourists are taking day cruises in Prince William Sound.

"We're doing as good or better than last year," said Brad Phillips, who operates a one-day cruise featuring 22 tidewater glaciers. Mr. Phillips said the notoriety the spill gave the sound might be one ingredient in this year's success. "I've been trying for 40 years to put Prince William Sound on the map, and Exxon did that overnight," he said.

Luxury lines offering weeklong cruises of Alaska's coast also report solid bookings. "We feel we're having a good year; not a banner year, but we've met our expectations and exceeded them slightly," said Bill Pedlar, a vice president for Princess Tours.

But the spill appears to be a marketing nightmare for the state's wilderness fishing lodges. "When the spill is on the front page, we've had no bookings at all," said Beth Spearman, president of Select Sportfishing Packages, a Seattle company that recruits clients for 17 Alaska fishing lodges.

Ironically, the spill has improved sport fishing in some areas by forcing commercial fishing fleets to curtail operations in oil-fouled coastal waters.

Salmon normally caught by gillnet and seine fleets are pouring into Cook Inlet and Kodiak Island freshwater streams, creating an angler's paradise.

In the weeks after the spill, Valdez's population doubled to more than 6,000 as Exxon mobilized the cleanup. The crime rate soared. At the same time, workers from local hotels and restaurants headed for the high-paying cleanup jobs.

In the last two months, Valdez has struggled to polish some of its rough edges. Trailer parks were put up to house Exxon workers. Squatters without jobs were pushed out of the downtown and into the wooded valleys.

Meanwhile, local hotels began kicking out Exxon officials so they could honor summer reservations. Dozens of new bed-and-breakfast accommodations opened.

But it is still impossible for the town to mask the cleanup from tourists.

At the port, cruise ships berth at a dock commandeered by Exxon and covered with booms, absorbents and sacks of oily wastes. Visitors pile into buses, then proceed through an Exxon security post. On the way into town, tourists pass a football-field-sized pile of plastic bags. They contain oily wastes slowly being fed into incinerators.

In town, gift shops offer $3 souvenir vials of oil spilled by the Exxon Valdez. Tent vendors sell cassettes, knives and other merchandise to cash-rich cleanup workers.

"It's trashy," said Pat Crowder of New Mexico. "I heard all the things about the beauty here but the people make it trashy."

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Terry Renna/The Associated Press

Colonel Brewster H. Shaw Jr., the space shuttle commander, preparing for the Tuesday launch.

# Pentagon Scraps Its Shuttle Role

## *Military Turns From NASA to Unmanned Rockets*

By William J. Broad
*New York Times Service*

NEW YORK — The Defense Department is dismantling a secretive, coast-to-coast space complex that cost at least $5 billion and was intended to operate in collaboration with the civilian space shuttle.

Over the past three years, the department has mothballed a $3.3 billion spaceport in California and scrapped a sprawling control center in Colorado. Last year, it disbanded a secret cadre of 32 astronauts based in Los Angeles.

Now, in the latest sign of withdrawal, a secret military payload is to be launched on the civilian space shuttle Tuesday with no military astronauts and without help from the air force's Manned Spaceflight Control Squadron in Houston.

That squadron was disbanded June 3. This will be the first time the secret group, which had 134 military officers and experts at its peak, has had no role in lofting a military payload on the shuttle.

The Pentagon is ending its two-decade shuttle collaboration with the civilian space agency because it has decided that manned spaceships are too risky for its astronauts and its payloads, which include satellites intended to spy on other countries or warn of a missile attack. Instead, it has bought its own fleet of big unmanned rockets.

Today, the hundred or more Defense Department shuttle missions once envisioned for this century have been cut so drastically that only seven remain dedicated solely to the military. After they are ended in the early 1990s, the collaboration between the Pentagon and the National Aeronautics and Space Administration will be over, although military astronauts may continue to fly an occasional mission.

But some experts say the Pentagon is making a mistake by concentrating solely on unmanned rockets.

The danger, they say, is that a rocket failure could ground the entire rocket fleet, preventing the launching of crucial military satellites, just as the 1986 Challenger disaster did when the military relied solely on manned spaceships. These experts argue that it would make more sense to launch military payloads on both shuttles and rockets.

"The military may have overreacted to the Challenger accident and may be in danger of becoming overly reliant on expendable launch vehicles," said John E. Pike, director of space policy for the Federation of American Scientists, a private group based in Washington. "As a result, the shuttle may not be fully utilized. This will increase the costs of space transportation for remaining shuttle users."

Air force officials disagree that they need the shuttle.

"The Challenger accident changed the ground rules," Richard A. McCormick, assistant to the secretary of the air force for space policy, said in an interview.

"The problem we had was that everything was going on the shuttle," he said.

Now the program has achieved low risk by using a "mixed fleet" of different kinds of unmanned rockets, he said.

The dismantling of the military's shuttle complex has meant not only the loss of billions of dollars in federal investments but also wrenching change for hundreds of military personnel.

"It's disappointing," Major Frank M. DeArmand, a would-be air force astronaut, said. "We all had the excitement and expectation of flying on the shuttle. But I'm not bitter. It was the right decision."

Michael Cassutt, author of "Who's Who in Space" and an expert on the Defense Department's shuttle program, said relations between the military and the space agency had been strained for some time and seemed beyond repair.

The two "have been separated for years, but the final papers are now showing up," he said.

"The divorce seems to be final."

### ■ Countdown Advanced

The managers of the space shuttle Columbia advanced their blacked-out countdown on Monday for the first flight of the craft in three and a half years on a mission to launch a military spy satellite, The Associated Press reported from Cape Canaveral, Florida.

The Columbia was pronounced ready Sunday for its Tuesday flight after a thorough review of the mission. Because the mission is classified, NASA remained silent on the exact status of the countdown. It has said only that liftoff was scheduled between 7:30 A.M. and 11:30 A.M.

# *Lange Ends 5-Year Rule As Leader in New Zealand*

*Compiled by Our Staff From Dispatches*

WELLINGTON — Prime Minister David Lange announced Monday that he was resigning, ending a five-year rule in which New Zealand severed its alliance with the United States because of Mr. Lange's anti-nuclear stance.

Mr. Lange, 47, cited poor health as a reason for his resignation, which he said would take effect Tuesday. The New Zealand Press Association said his resignation came after a political struggle within the Labor Party he has led.

The surprise announcement, made at a news conference, came a day before a Labor Party meeting. Mr. Lange said his successor would be chosen at that meeting.

The prime minister, who was in hospital last year with a heart ailment, said he had consulted many friends before making the decision and said he would remain in Parliament. "It will not, however, be as prime minister," he said.

Mr. Lange also said he was stepping down after having set his Labor government back on course after "flirtations with lunacy" — a reference to the radical free-market policies of the former finance minister, Roger Douglas.

Political analysts said Mr. Douglas's election to cabinet by the party last week, despite Mr. Lange's strong opposition, seemed to have played a part in his decision to go. Mr. Lange dismissed Mr. Douglas in December after the two had clashed over how far to take Labor's shock treatment aimed at stimulating a declining New Zealand economy.

Without naming names, Mr. Lange said the budget in July had proved the turning point away from hard-line policies. "That budget put an end to what had seemed hitherto to be some sort of relentless juggernaut of the new right."

Three front-runners have emerged to replace Mr. Lange — Deputy Prime Minister Geoffrey Palmer, the external relations and trade minister, Mike Moore, and Mr. Douglas himself.

After sweeping to power in 1984, Mr. Lange set off on a foreign policy that gained New Zealand attention far exceeding the power of a nation of scarcely more than three million people.

He took on the United States when he banned ships carrying nuclear weapons from New Zealand ports in 1984, provoking a row that resulted in Washington suspending Wellington from the ANZUS defense alliance linking them with Australia. The dispute is still unresolved.

Mr. Lange also clashed with Paris over French nuclear testing in the South Pacific. This row deepened in 1985 when French agents blew up the Rainbow Warrior, flagship of the environmental group Greenpeace, shortly before it was to leave Auckland harbor to protest against French nuclear tests.

Mr. Lange fought a long battle with obesity — he once weighed 370 pounds (168 kilograms). His heart surgery last year was to widen an artery and he earlier had his stomach stapled to try to curb his overeating.

# U.S. Envoy Sees Hope for Ending Ethiopia Unrest

By Jane Perlez
*New York Times Service*

ADDIS ABABA, Ethiopia — Talks between a State Department official and the president of Ethiopia, intended to improve the frosty relations of the last decade and to hasten a solution to the country's civil war, have ended on an amicable note.

The assistant secretary of state for African affairs, Herman J. Cohen, said Sunday he had been assured by President Mengistu Haile Mariam that the Ethiopian offer of peace talks with the country's northern rebels was serious.

Officials here said they expected an announcement soon from the Ethiopian government that it was prepared to meet the rebels, perhaps within a month, in Atlanta, with former President Jimmy Carter as an observer.

Mr. Carter, who met with Colonel Mengistu last week in Addis Ababa, said he had found agreement among the Mengistu regime and the two rebel groups, the Eritrean People's Liberation Front and the Tigre People's Liberation Front, that the time had come to seek peace.

Mr. Cohen said that he had emphasized to Colonel Mengistu that the United States placed priority on ending the civil war.

Three weeks after forces loyal to Colonel Mengistu put down a May coup attempt, the Ethiopian president made an offer to talk to the rebels without conditions. The Eritrean rebels have been fighting for the independence of their northern province since the early 1960s.

After Colonel Mengistu's initiative, the secretary-general of the Eritrean rebel group, Isaias Afewerki, announced that his group was prepared to enter unconditional negotiations that were publicly acknowledged by both sides and held in the presence of an independent observer.

Mr. Carter, as well as meeting with Colonel Mengistu three times in the last year, has also met with Mr. Afewerki as part of an effort to pave the way for the talks.

After the coup attempt and devastating losses suffered by the Ethiopian Army earlier this year, diplomats say Colonel Mengistu has had little choice but to seek an end to the long war.

The Soviet Union has told Ethiopia that it was unwilling to keep up arms supplies at a wartime rate, diplomats said. And Italy, the most generous economic donor here, has said it was unwilling to continue its current level of support — about $100 million a year — if the war continued.

As well as pushing for the start of peace talks, Mr. Cohen also raised questions about Ethiopia's human rights record. Last week, Amnesty International sharply criticized Ethiopia for its "high level of serious human rights abuses" and its unwillingness to discuss remedies.

While in Addis Ababa, Mr. Cohen also met with representatives of the Sudan People's Liberation Army, the rebel group at war with the Sudanese government. He left here for talks in Khartoum with the new Sudanese leader, General Omar Hassan Ahmed Bashir.

Mr. Carter's active role in peace efforts is regarded as paradoxical by Ethiopian and American observers. Ethiopian officials, many of them regretful that relations with the United States soured, often note that it was during Mr. Carter's tenure that Marxist Ethiopia ended its alliance with the United States in favor of the Soviet Union.

These Ethiopians, as well as some U.S. officials, blame the Carter administration for hastening the rupture by siding with neighboring Somalia, Ethiopia's enemy at the time. Now, more than a decade later, Mr. Carter and Colonel Mengistu appear to have found some measure of rapport.

### Lion Bites Off Man's Arm

*Agence France-Presse*

CLERMONT-FERRAND, France — A lion bit off a man's arm at a circus in this central French city, police said Monday. The man, who thrust his arm inside a lion cage during a pause between two performances, was said to be in serious condition in a hospital.

## Moi and Mugabe Open Drive for Mozambique Pact

*Reuters*

NAIROBI — An effort to end Mozambique's 14-year-old civil war opened on Monday with President Daniel arap Moi of Kenya saying he wanted "to move quickly to save lives."

"Today was a question of procedural things, we are trying to get things started," Mr. Moi said following a one-day meeting with President Robert Mugabe of Zimbabwe.

Mozambique has asked the two presidents to mediate an end to the war, which has killed tens of thousands of civilians. Mozambican clergymen and rightist rebels from the Mozambican National Resistance are to begin discussions on Tuesday of a 12-point plan presented by the Maputo government, according to a statement by Mr. Moi and Mr. Mugabe.

Those talks are expected to determine if meetings between the rebels and President Joaquim Chissano's leftist government will take place.


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# ARTS / LEISURE

Fred R. Conrad/The New York Times



**Above, the foyer in the Hendersonville, Tennessee, log home of Ken Dudney and Barbara Mandrell, inset. Twenty-two miles of larch logs were used in the construction of their 27,000-square-foot home.**

## When a Log 'Cabin' Becomes a Castle

By Daralice D. Boles
*New York Times Service*

WESTON, Connecticut, just got its first log home, and the neighbors are furious. Convinced that the cabin, made from a kit of precut parts, would reduce the value of their property, they petitioned the building inspector to "do something," but the house went up anyway.

Now, like a lone mobile home, it is the subject of vitriolic cocktail party talk.

But in Hendersonville, Tennessee, the recent completion of another log home was the occasion of a major celebration. All Nashville seemed to turn out to sign a huge log column in the great glass swimming hall at the center of the new home of the country singer Barbara Mandrell and her husband, Ken Dudney.

Although both houses tap into the same American residential tradition, the log home built from a kit is often cursed, while the custom log castle is celebrated.

"If it's ever so humble, it's not an Alpine home," is one of the slogans Ken Thuerbach uses to promote Alpine Log Homes in Victor, Montana. He is the owner and president of the company, which recently manufactured a log house for the author John Naisbitt and his wife in Telluride, Colorado.

About 1,000 of the 25,000 log homes that are built in the United States every year fall into the luxury category, a small percentage, but a disproportionate share of construction costs.

A survey by the North American Log Homes Council in 1985 found the average finished cost for a 1,690-square-foot (157-square-meter) home, the average size, was $95,000.

But a typical house by Alpine Log Homes, which concentrates on the luxury end of the market, runs from $500,000 to $1 million.

While sales of kits have flattened or declined of late, the "authentic log home," as proponents of custom-built houses like to call it, is booming. This market, said Barbara Martin of the Building Systems Councils in Washington, is "geared to people building their ultimate home."

For example, the house built by Mandrell and Dudney is 27,000 square feet with 50-foot (15-meter) ceilings.

Nor were they alone in choosing logs.

Sydney Pollack, the director, owns a log home in Sundance, Utah. So does the industrialist H. Ross Perot, who recently built a house in Vail, Colorado.

"Before the information age, everybody wanted contemporary homes," said Theodore Brown, the San Francisco architect who designed Naisbitt's house. "Now that we've reached it, everybody wants to go back to nature."

Everybody, that is, except the architects who were called upon to build these "authentic log homes." All said they had to overcome a prejudice, against the material.

"When Ken Dudney came to us, I said that we as architects don't typically get involved in log homes; they come in kits," said Seab Tuck, the architect whose firm, Tuck Hinton Everton of Nashville, designed the Mandrell-Dudney house.

"Ken said they wanted a 15,000-square-foot house or larger, and I said that size definitely did not come in a kit. A week later, I found myself on a plane on my way to look at logs in Montana."

Although Brown had designed a town house for Naisbitt and his wife, Patricia Aburdene, in Washington, he was initially reluctant to take the commission to design the 5,800-square-foot log home they wanted.

"I thought it would be like living inside a wine barrel," Brown said. "But I started looking at log houses in Finland and Japan, and I realized that the kits were the really horrible thing."

Naisbitt, who coined the phrase "high tech-high touch" in his best-selling book "Megatrends," not unnaturally sees the new interest in luxurious log houses as part of a broader trend. "There's a very strong movement for quality of life in rural areas for people who aren't location-dependent in their work," said Naisbitt, who uses his log house as a year-round residence and work place.

"This is not some breathless scenario of the electronic cottage. We can do what we do anywhere with fax machines and Federal Express."

The architects found logs to be considerably more flexible than they had anticipated. The Naisbitt-Aburdene home, for example, is a combination pueblo and log castle, complete with a concrete tower. Other details include tepee-style triangular wood frames for the attic windows and the pseudo-Gothic windows in the kitchen and living room.

A 9,000-square-foot Telluride, Colorado, home designed by Douglas Reinhardt, an architectural designer, is also eclectic, although less flamboyantly so. "Doug was opposed to our doing a log home," said Reinhardt's clients, who asked that their names not be used. "But we've always loved logs. We're attached to them emotionally and physically."

Their house is a structural hybrid, explained the designer, who used logs as a decorator might use wallpaper. He built a conventional post-and-beam frame, then filled it in with logs and lots of windows.

"I don't like conventional log construction, with its heavy bearing walls with little punched windows," said Reinhardt, who considers himself a modernist.

The space he designed departs dramatically from log cabin clichés with its vast, double-height skylighted living room, which flows into an entertainment center. The logs are stained a muted, distinctly modern gray, in contrast to the clear sealer that most people apply to their log homes.

Margaret McCurry, an architect with Tigerman McCurry Architects in Chicago, took a more traditional approach with a house now nearing completion in Steamboat Springs, Colorado. It was designed for Jan and William Van Straaten, who own an art and design gallery in Chicago.

"My clients would have liked picture windows," said McCurry. "But I have always argued you have to have enough logs left to have a log house." McCurry designed very deep and wide window frames, like outsized shadow boxes, throughout the house.

It is the Mandrell-Dudney house, however, that really breaks the existing boundaries for log home construction. Built by Rustics of Lindbergh Lake in Condon, Montana, the house required 22 miles (35 kilometers) of larch logs. This is believed to be a record quantity for a private log residence.

About 25 percent of the house's exterior walls are glass, as opposed to the 5 percent to 10 percent typical for log homes.

The plan combines two prototypes common to pioneer times in Tennessee. Its stone base and massive timber walls recall the stockade, while its organization echoes the "dog trot," a house type composed of two wings with an open-sided passage between them. In the Mandrell-Dudney house, the swimming pool hall fills the passage, separating the private, family half of the house, from its public, party side.

The hall's massive timber-and-glass ceiling, its design echoed in the equally imposing front hall, is a structural and spatial tour de force.

Thirty-six-foot logs supporting a balcony are tightly massed as if in a forest. High-tech light fixtures designed by Tuck contrast with the rough-hewn logs from which they are suspended.

Having learned to work with the curious combination of flexibility and inflexibility that is the hallmark of log construction, however, the architects warn would-be clients that they, too, must learn to live with logs.

Anecdotes abound. The Van Strattens, for example, arrived for their first weekend to find the house full of flies and other insects that had escaped from the standing dead wood used to build the house.

Tuck talks of the novel — and expensive — detailing required for log construction. The stairs in the Mandrell-Dudney house, for example, are set on neoprene pads and specially bolted to permit adjustment if the house settles in time.

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## *Designer Cookies and Edible Architecture*

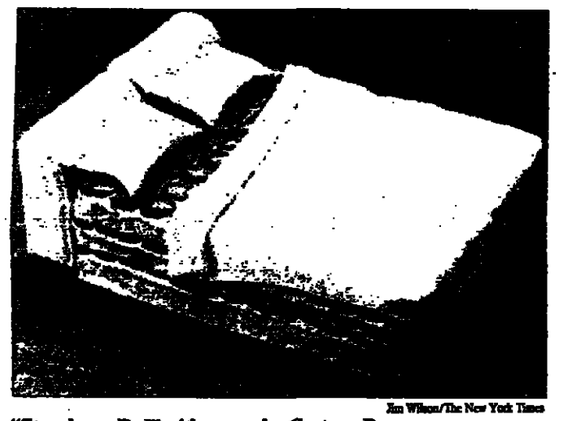
By Patricia Leigh Brown
*New York Times Service*

NEW YORK — Those who doubt the richness of contemporary architecture and design need only look as far as a new project sponsored by the Design Industries Foundation for AIDS, in which high calorie designs by Gaetano Pesce, Michael Graves, Wendell Castle and others will blend with cookie sheets and eggbeaters.

This November, in conjunction with the Steelcase Design Partnership, the five-year-old foundation will be host to "Edible Architecture — Delicious Designs," a collection of cakes and cookies by some of the country's leading designers, at the Steelcase showroom in Manhattan.

More than 40 designs have been received so far, said Fern Mallis, who will be the curator of the exhibition with George Beylerian, the director of Steelcase.

The project will conclude in December with a dinner-dance at Sotheby's, where the designs, including non-edible working models and drawings, will be auctioned.



Jim Wilson/The New York Times

**"Strawberry Bed" with cream by Gaetano Pesce.**

Some of the designer cookies will also be sold at Bloomingdales, in both the bakery and furniture departments.

Proceeds will go to programs that provide meals for people with AIDS. The foundation expects to raise around $5 million this year from these and other events, said its chairman, George W. Slowik Jr.

The designers' ideas are being transformed by culinary artisans like those at the International Pastry Arts Center in New York, which has already taken a schematic drawing of a pear by the graphic designer Milton Glaser and interpreted it in blown sugar.

For the designers, the appetite for food-follows-function is apparently limitless.

Pesce, for instance, dreamily interpreted a bed in the "Princess and the Pea" style, layered with strawberries and cream. "The cream is sweet and the strawberry is not, so they go together like a couple," he said.

Kevin Walz, who designs furniture for Arc International and private clients, chose a bed, too. His "Brass Bed with Cake and Jelly Roll" has a chocolate and raspberry motif. "Mattresses and cake have a similar consistency," Walz said. "Any good bolster should feel like a jelly roll when your head hits it."

The designers seem fairly evenly divided between the whimsical and the classical. Among the classicists are Robert A.M. Stern, an architect, who contributed what he called a "classic cake," and Scott Bromley, a decorator, whose "Classic Cookie" has symmetrical iced columns that are the stylistic opposite of Victorian gingerbread.

John Mascheroni, a furniture designer, and his family submitted a confection in the shape of a pyramid and named it "Pei-tisserie," a honeyed homage to the new Louvre addition.

Some have interpreted a great baroque culinary tradition. Robin Drake and Kiki Boucher, who are product and graphic designers, created "Pocono Palace," a lavish frosted tribute to the Poconos that gives new meaning to the phrase "wedding-cake architecture."

Frederic Schwartz, an architect, designed "Tower of Babel," a tiered and spiraled cake festooned with Hershey's Kisses. ("Make as tall as possible," his drawing instructs the bakers.)

As might be expected, a few took a conceptual approach. "It has to do with a dialogue between something that's analyzable and something that's not," explained Billie Tsien, the architect, about her self-consciously metaphorical Oreo.

## Soviet Wine Maker Finds U.S. Can Use His Skills

By Howard G. Goldberg
*New York Times Service*

SEATTLE — Mikhail Brunshteyn, formerly of the Soviet Union and now of Cedarburg, Wisconsin, was surprised to find himself lecturing famous wine experts on the fine points of Soviet sparkling wine.

In 1978, shortly after he applied for an exit visa, Brunshteyn was dismissed as director of a premium winery near Odessa in the Ukraine. Until he was finally allowed to leave the Soviet Union in 1988, he worked at a decrepit winery in Odessa.

The Washington Wine Commission invited Brunshteyn to participate in the first World Vinifera Conference, after Soviet officials canceled the visa of Oleg S. Melnikov of the Odessa Champagne Winery.

The meeting, attended by 280 wine makers, grape growers and others in the wine trade from 8 states and 10 countries, was devoted to the riesling, a grape of the vinifera species that makes great white wines in West Germany, Alsace and elsewhere.

The 50-year-old Brunshteyn, appearing on two panels, lectured and fielded questions in fairly fluent English, which he had polished after arriving in the United States. Before leaving his family and emigrating, he had taught himself to read and write the language.

From 1963 until 1979, Brunshteyn directed the wine making at a large premium winery called Khadzhibei, 10 miles from Odessa, that made red and white and dry and sweet table wines. "It was considered one of the best in the quality of wines and the quality of the facilities in our region," he said.

After he applied for an exit visa in late 1978, he said, "I was fired immediately." Brunshteyn, attributed his decision to leave largely to "government-sponsored anti-Semitism" and "corruption and decay" during Leonid I. Brezhnev's regime.

Because of his job at Khadzhibei, Brunshteyn said, "I had perks," including special access to food and clothing stores and a small apartment near the winery, in addition to his family's apartment in Odessa. His salary was 300 rubles a month, about $485 at the official exchange rate.

After he was dismissed, friends found him a 180-ruble job at a decrepit experimental winery that made cheap sweet sparkling wine by injecting carbon dioxide into a base wine and juice from rkatsiteli, a Soviet grape. "The machinery was old and falling apart," he said. "I fixed and maintained it."

In May 1988, he was told he could leave, and he did the next month. After boarding a jet in Rome bound for New York, he ordered a steak dinner. Did he also order wine, perhaps a Champagne, to celebrate?

"No," he says, "I had a visa."

Once settled in a one-room apartment in Queens, and later in Brooklyn, he said, "I went to the big library on 42d Street to look for winery job information in trade journals."

He found listings of professional organizations and wrote to, among others, James Trezise, the president of the New York Wine and Grape Foundation, who sent him a packet of information.

Brunshteyn asked advice from J. William Moffett, the publisher of Vineyard & Winery Management, a trade journal published in Watkin's Glen, New York. Moffett composed an advertisement and ran it free of charge. "I had four or five job offers," Brunshteyn said.

In March, Brunshteyn became the wine maker at the Stone Mill Winery in Cedarburg, Wisconsin, 17 miles north of Milwaukee. He is not, however, making the fine wines he did at Khadzhibei from classic European varietals like riesling, aligoté, cabernet sauvignon and muscat ottonel, as well as rkatsiteli and lianyka.

Stone Mill produces 6,000 cases of wines from secondary wine grapes like Niagara, Catawba and vidal blanc, along with cranberry, raspberry, blueberry and strawberry wines. But first, just as he did at the experimental winery in Odessa, "I had to make the machinery more usable."

Brunshteyn said that during his career — he worked at other wineries, one in Leningrad, another in Moldavia and a third 150 miles from Odessa — he tasted Western wines only twice. There was no shortage of Bulgarian, Hungarian, Romanian and Yugoslav wines in government stores in Odessa. But fine wines from all over the Soviet Union could not be found there, he said.

"In Chicago," he said, "maybe you can buy champagne from Woodbury," a winery in Dunkirk, New York. "But in Odessa you can buy champagne only from Odessa, and in Kiev, only from Kiev."

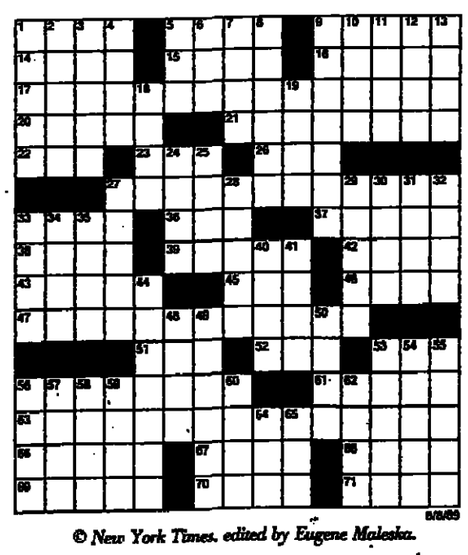
Brunshteyn, who is divorced, will soon be joined by his only child, Milena, 16. His mother died two weeks after he left the Soviet Union, and his father still lives in Odessa.

**ACROSS**

1 Walk in the woods
5 Ukulele
9 Insults
14 Roberts of Tulsa
15 "The —— Love Belongs
16 "Cheers" barmaid
17 Weather forecast
20 Official decree
21 Lapland cattle
22 Mrs. Gump
23 Soft, as a sound
26 G I 's oasis
27 Words of applause
33 Moved, nautically
36 Auction ending
37 ——-Kringle
38 Condo residence
39 Rustling sound
42 Promontory
43 Diving duck
45 Sault, to a Michigander
46 U N member
47 They give a leg up
51 Regret
52 Mario or I M
53 D D E predecessor
56 Trading ship of yore
61 Group in a loft
63 Vehicle starring Orson Welles' 1938
66 Broadway lass
67 Soprano Mills
68 Algerian seaport
69 "Mr. —— Goes to Town"
70 Small fishing boat
71 A national symbol of Scotland

**DOWN**

1 Expression of ennui
2 Baghdad native: Var.
3 Elia or Lamb
4 Cities in Minn. and Nev.
5 Half a greeting call
6 Can. province
7 Stand up under use
8 Form a queue
9 Dope
10 Praise
11 Poilu's weapon
12 Ballerina's bend
13 Irani Bani-——
18 Sun: Comb. form
19 Eloper with a spoon
24 Unfolds, in poetry
25 Voiced sigh of relief
27 Riled
28 Dander personified?
29 Hades
30 Narrow inlets
31 Vipers
32 River of Flanders
33 "Be quiet!"
34 Fairy-tale starter
35 Small bottle
40 Item provided in bars
41 Sharpen
44 Penzance group
48 Deadened
49 Adapted
50 "Ich Liebe ——": Grieg
53 Nymph of Muslim paradise
54 Agave fiber
55 River in central England
58 "—— the Craziest Dream," 1942 song
57 Hawaiian goose
58 Isak Dinesen, for one
59 Crocus, e.g.
60 Famed fiddler
62 Snare
64 "—— for the G String": Bach
65 Typewriter lever



8/8/89

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**Solution to Previous Puzzle**

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | S | E | T | | T | R | O | O | P | | S | C | O | W |
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| N | I | C | K | E | L | | | S | L | A | V | E | R | Y |
| | | L | A | M | E | S | | | A | V | E | | | |
| C | O | V | E | R | A | L | L | | G | A | R | N | E | R |
| A | B | E | S | | | M | O | R | E | S | | E | R | E |
| T | E | X | | S | T | E | W | A | R | T | | V | A | N |
| E | S | E | | P | A | R | E | R | | | T | E | S | T |
| R | E | D | C | A | P | | S | E | I | Z | U | R | E | S |
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| A | T | O | P | | T | R | A | S | H | | I | D | E | A |
| T | R | U | E | | R | E | V | U | E | | N | E | A | R |
| S | E | E | R | | Y | E | A | R | S | | E | S | P | |

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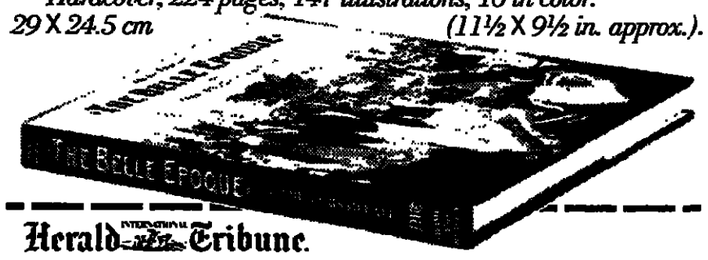

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# Monday's MARKET DIARY

*Via The Associated Press*

### NYSE Most Actives

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| AmBas | 27941 | 16⅛ | 15½ | 15¾ | —⅛ |
| GenEl | 23921 | 59 | 56¾ | 59 | +2⅛ |
| IBM | 22074 | 117⅞ | 115¾ | 117⅞ | +1⅞ |
| USShoe | 21985 | 20⅞ | 19¼ | 19½ | —1⅛ |
| UAL Cp | 20970 | 211 | 95¾ | 211 | +46½ |
| Exxon | 19973 | 46⅛ | 45¼ | 46 | +⅜ |
| DowCh | 19212 | 95½ | 94⅛ | 95½ | +2½ |
| Amax | 18252 | 27 | 26⅛ | 27 | +½ |
| AT&T | 16255 | 40⅝ | 39¾ | 40⅜ | +½ |
| Xerox | 16240 | 67⅞ | 67¼ | 67⅝ | +⅜ |
| AMR | 15492 | 71½ | 69⅞ | 71½ | +3½ |
| HewlPk | 14933 | 57¾ | 54⅝ | 57⅝ | +3⅝ |
| PanEC | 14790 | 29 | 28 | 29 | +1⅛ |
| GMotrs | 13662 | 45⅛ | 44⅝ | 45 | |
| Disney | 13368 | 115½ | 111¼ | 114⅝ | —1⅛ |

### Market Sales

| | |
|---|---|
| NYSE 4 p.m. volume | 197,580,000 |
| NYSE prev. cons. close | 201,558,710 |
| Amex 4 p.m. volume | 13,120,000 |
| Amex prev. cons. close | 15,848,000 |
| NASDAQ 4 p.m. volume | 135,346,300 |
| NASDAQ prev. 4 p.m. volume | 133,471,000 |
| NYSE volume up | 151,715,260 |
| NYSE volume down | 28,337,570 |
| Amex volume up | 8,239,045 |
| Amex volume down | 2,383,560 |
| NASDAQ volume up | 76,997,110 |
| NASDAQ volume down | 22,954,323 |

### NYSE Index

| | High | Low | Close | Ch'ge |
|---|---|---|---|---|
| Composite | 194.19 | 191.68 | 194.19 | +2.55 |
| Industrials | 232.56 | 229.61 | 232.56 | +3.14 |
| Transp. | 192.88 | 186.37 | 192.88 | +8.10 |
| Utilities | 94.23 | 93.12 | 94.23 | +1.15 |
| Finance | 166.18 | 164.55 | 166.18 | +1.24 |

### AMEX Diary

| | Close | Prev. |
|---|---|---|
| Advanced | 323 | 276 |
| Declined | 259 | 295 |
| Unchanged | 258 | 249 |
| Total Issues | 850 | 820 |
| New Highs | 34 | 32 |
| New Lows | 7 | 10 |

### NASDAQ Index

| | Close | Ch'ge | Week Ago | Year Ago |
|---|---|---|---|---|
| Composite | 461.73 | +4.31 | 453.84 | 387.66 |
| Industrials | 451.17 | +4.37 | 441.05 | 394.97 |
| Finance | 542.08 | +1.83 | 532.58 | 468.84 |
| Insurance | 535.33 | +4.72 | 527.53 | 408.02 |
| Utilities | 717.13 | +12.95 | 718.67 | 443.79 |
| Banks | 475.36 | +1.11 | 472.80 | 464.38 |
| Transp. | 458.14 | +6.42 | 451.30 | 374.54 |

### AMEX Most Actives

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| EchoBy | 10600 | 16⅛ | 16⅛ | 16⅛ | +⅛ |
| WangB | 9943 | 5¾ | 5⅝ | 5¾ | +⅛ |
| BAT | 6402 | 14 | 13⅝ | 13⅞ | +⅛ |
| TexAir | 5248 | 16⅛ | 15⅝ | 16⅛ | +⅛ |
| Amdhl | 3018 | 15⅝ | 15 | 15⅝ | +⅜ |
| BolrPh | 4757 | 24 | 22½ | 22½ | —1½ |
| MoogC | 3077 | 6⅝ | 6⅛ | 6⅝ | +⅛ |
| FruitL | 2905 | 13⅛ | 13 | 13⅛ | +⅛ |
| Telesph | 2784 | 3½ | 3⅛ | 3⅜ | +⅛ |
| A-Ibm sc | 2598 | 13 | 12⅝ | 13 | +⅛ |
| BergB s | 2191 | 31⅛ | 30⅝ | 31 | +⅛ |
| CrystO | 2040 | 3⅛ | 2⅞ | 3 | |
| Diasonc | 1949 | 3⅝ | 3⅜ | 3⅝ | +⅛ |
| Kirby | 1832 | 7⅞ | 7⅝ | 7⅞ | |
| PallCp | 1621 | 34 | 32⅝ | 34 | +1⅛ |

### Dow Jones Bond Averages

| | Close | Ch'ge |
|---|---|---|
| Bonds | 93.84 | +0.01 |
| Utilities | 94.95 | +0.31 |
| Industrials | 92.74 | —0.29 |

### NYSE Diary

| | Close | Prev. |
|---|---|---|
| Advanced | 1051 | 642 |
| Declined | 476 | 867 |
| Unchanged | 468 | 492 |
| Total Issues | 1995 | 2001 |
| New Highs | 208 | 146 |
| New Lows | 8 | 14 |

### Odd-Lot Trading in N.Y.

| | Buy | Sales | *Sh'rt |
|---|---|---|---|
| Aug. 4 | 373,929 | 615,562 | 63,475 |
| Aug. 3 | 523,454 | 634,202 | 56,039 |
| Aug. 2 | 383,766 | 783,679 | 130,128 |
| Aug. 1 | 533,976 | 873,307 | 85,746 |
| July 31 | 349,840 | 605,965 | 27,781 |

*Included in the sales figures

### Dow Jones Averages

| | High | Low | Close | Ch'ge |
|---|---|---|---|---|
| Indus | 2,701.82 | 2,643.59 | 2,694.99 | +41.54 |
| Trans | 1,348.86 | 1,298.72 | 1,344.06 | +94.06 |
| Util | 221.64 | 217.87 | 221.52 | +3.34 |
| Comp | 1,056.81 | 1,029.76 | 1,054.10 | +33.38 |

### Standard & Poor's Index

| | High | Low | Close | Ch'ge |
|---|---|---|---|---|
| Industrials | 399.27 | 393.14 | 399.26 | +6.12 |
| Transp. | 300.68 | 286.10 | 300.57 | +14.40 |
| Utilities | 143.25 | 140.93 | 143.25 | +2.22 |
| Finance | 33.59 | 33.09 | 33.58 | +0.39 |
| SP 500 | 349.42 | 343.91 | 349.41 | +5.49 |
| SP 100 | 324.52 | 318.60 | 324.52 | +5.86 |

### NASDAQ Diary

| | Close | Prev. |
|---|---|---|
| Advanced | 1,113 | 889 |
| Declined | 780 | 1,028 |
| Unchanged | n.a. | 2,483 |
| Total Issues | n.a. | 4,400 |

### AMEX Stock Index

| High | Low | Close | Ch'ge |
|---|---|---|---|
| 379.23 | 376.82 | 379.18 | +3.46 |

# STOCKS: *Transports, Technologies and Economy Push Dow Near High*

(Continued from first finance page) shorter-term interest rates were up about 4 basis points. For example, 7 year Treasury notes yielded 7.98 percent, up from 7.94 percent on Friday.

Although the view that the U.S. economy was not as weak as had been supposed hurt bonds, it helped stocks despite the higher interest rates it sparked. Analysts became more hopeful that the economy would experience what is called a soft landing after its nearly seven-year stretch of growth.

In this scenario, the economic expansion will slow but not stop, while inflation remains controlled.

Mr. Kalman of W.H. Newbold's Son said the drop in interest rates before Friday and an increase in the buying of cyclical stocks — issues of companies whose performance tends to echo that of the economy — contributed to the market's latest upturn.

As a result of diminishing fears of a recession, he said, buyers have turned their focus more toward technology, chemical, paper and metals stocks than consumer issues, which were among the market's top performers earlier this year.

Against that backdrop, he said, "There is a favorable trading environment, one that internally corrects itself. As one stock goes up, another goes down."

On the New York Stock Exchange, advances led declines by more than a 2-1 ratio, while volume swelled to 197.58 milion shares from 169.75 million traded on Friday.

The stock of UAL set the mood for the session, soaring 46½ to 211 on reports that investor Marvin Davis of Los Angeles was readying a $200-a-share-plus bid for the company.

UAL said it had received what it called a highly conditional proposal from Mr. Davis and said its directors would meet Wednesday to consider it.

Ambase Corp. was the most-active NYSE issue, easing ⅛ to 15¾.

General Electric followed, rising 2⅛ to 59.

IBM was third, gaining 1⅞ to 117⅞.

Elsewhere in the technology sector, Compaq Computer jumped 3⅞ to 98¾, and Hewlett-Packard rose 3⅛ to 57½.

Among airline issues, AMR, parent of American Airlines, soared 3½ to 71½; Delta Air Lines jumped 2⅜ to 74½; and Southwest Airlines rose 1 to 27.

In the blue-chip sector, AT&T rose ⅝ to 40⅜, Merck & Co. climbed 1½ to 75, and Sears edged up ⅜ to 46. Philip Morris, however, fell 2¾ to 159¼.

Prices closed higher in active trading on the American Stock Exchange. Advances led declines by about a 4-3 ratio. The price of an average share gained 12 cents. Volume slipped to 13.12 million shares from 14.10 million traded on Friday.

Wang Labs B led the Amex issues, rising ⅛ to 5¾.

*(UPI, Reuters, AP)*

## ■ Dean Witter Bullish

Dean Witter Reynolds Inc. said it recommended that clients increase their stock investments and not hold any cash in their portfolios.

John Connolly, Dean Witter's chief investment strategist, said he advised clients to increase their asset allocations in stocks to 75 percent from 48 percent, decrease the bond weighting to 25 percent from 48 percent, and cut cash to nothing from 4 percent.

"We decided that there's been a tremendous underperformance in cyclical stocks all year long in anticipation of an economic slowdown," Mr. Connolly said.

He said a recession appeared to be becoming less likely. "The consumer is in much better shape and the housing market can't go down much further."

"We decided it was time to start buying some of the cyclicals: the chemicals, metals, paper stocks." Using higher projections on earnings and dividends, Mr. Connolly said the Dow Jones industrial average could reach 3,200 within a year.

# World Stock Markets

*Via Agence France Presse Closing prices in local currencies, Aug. 7*

### Amsterdam

| | Close | Prev. |
|---|---|---|
| ABN Bank | 45.90 | 45.80 |
| ACF Holding | 48.50 | 49 |
| Aegon | 109.60 | 108.80 |
| Ahold | 131.60 | 132.20 |
| Akzo | 146.70 | 146.50 |
| AMEV | 57.40 | 57 |
| A'Dam Rubber | 7.30 | 7.30 |
| Amro Bank | 93.10 | 93.10 |
| Bols | 155 | 155 |
| Buhrmann Tett | 69.50 | 69.30 |
| BVG | 25.50 | 25.50 |
| Center Parcs | 62.70 | 62.20 |
| CSM | [illegible] | [illegible] |
| DAF | [illegible] | [illegible] |
| DSM | 128.80 | 129 |
| Elsevier | 79.90 | 79.80 |
| Fokker | 47.70 | 47.50 |
| Gist-Brocades | 34.50 | 34.30 |
| Heineken | 134.90 | 134.70 |
| Hoogovens | 113.10 | 112.10 |
| Hunter Douglas | 120 | 120 |
| IHC Caland | [illegible] | 33.40 |
| Inter Mueller | 102 | 102 |
| KLM | 55 | 54.70 |
| KNP | 58.30 | 57.70 |
| Nat Neder | 69.30 | 69.10 |
| Nedlloyd | 93.10 | 90 |
| NMB Bank | 268.20 | 268 |
| Oce Grinten | [illegible] | [illegible] |
| Pakhoed | 134.90 | 133.90 |
| Philips | 42.40 | 42.40 |
| Robeco | 111 | 110 |
| Rodamco | 159.80 | 159.40 |
| Rolinco | 110.20 | 109.30 |
| Rorento | 62.20 | 62.20 |
| Royal Dutch | 147.30 | 146.10 |
| Unilever | 152.30 | 151.80 |
| Van Ommeren | 46.10 | 45.50 |
| VMF Stork | 37.30 | 37.30 |
| VNU | 99.60 | 99.80 |
| Wessanen | 96 | 94.50 |
| Wolters/Kluwer | 51.40 | 51.30 |

ANP-CBS Gen'l Index : 195.50
Previous : 194.70

### Brussels

| | Close | Prev. |
|---|---|---|
| Arbed | 6110 | 6110 |
| Bekaert | 13850 | 13825 |
| Cockerill | 343 | 342 |
| Cobepa | 6130 | 6000 |
| Delhaize | 5890 | 5890 |
| EBES | 4720 | 4720 |
| GB-Inno-BM | 1382 | 1384 |
| GBL | 4555 | 4555 |
| Gevaert | 8900 | 8770 |
| Hoboken | 17875 | 17950 |
| Intercom | 3675 | 3690 |
| Kredietbank | 4330 | 4330 |
| Petrofina | 12850 | 13000 |
| Royal Belge | 5680 | 5680 |
| Soc Gen Baue | 6500 | 6500 |
| Sofina | 14150 | 14100 |
| Solvay | 14375 | 14450 |
| Tractebel | 7800 | 7800 |
| UCB | 11800 | 11800 |
| Unerg Ps | 2600 | 2640 |

Current Stock Index : 6287.44
Previous : 6272.38

### Frankfurt

| | Close | Prev. |
|---|---|---|
| AEG | 224.50 | 226.50 |
| Allianz Hldg | 2175 | 2185 |
| Altana Ind | 436 | 441 |
| Asko Dt. Kfhs | 878 | 876 |
| BASF | 301 | 301.20 |
| Bayer | 318.90 | 316 |
| Bay. Hypo bank | [illegible] | [illegible] |
| Bay Vereinsbank | 401 | [illegible] |
| BBC | 471 | [illegible] |
| BHF | 440 | 441 |
| BMW | 590 | 597 |
| Commerzbank | 259.70 | 262 |
| Continental | 324.50 | 316 |
| Daimler-Benz | 811 | 800 |
| Degussa | 395 | 397.70 |
| Dt Babcock | 201.50 | 199 |
| Deutsche Bank | 674 | 677.50 |
| Dresdner Bank | 354 | [illegible] |
| Feldmuehle | 591 | [illegible] |
| Harpener | [illegible] | [illegible] |
| Henkel | 554.50 | 560 |
| Hochtief | 722 | 718 |
| Hoechst | 305.20 | 307.10 |
| Hoesch | 244.50 | 238 |
| Holzmann | 900 | 910 |
| Horten | 277 | 273 |
| Hussel | 450 | 461 |
| Ind Wke Karls | 314.50 | 314 |
| Kali Salz | 218.50 | 219 |
| Karstadt | 597 | 610 |
| Kaufhof | 499 | 503 |
| KHD Kloeckner | 193 | 192.90 |
| Kloeckner Werke | 158 | 161 |
| Krupp Stahl | 221 | 222 |
| Linde | 775 | 773 |
| Lufthansa | 179 | 178.50 |
| MAN AG | 344.50 | 340 |
| Mannesmann | 244.60 | 244 |
| Metallgesell | 488.50 | 485.50 |
| Muench Rueck | 2690 | 2700 |
| Nixdorf | 366.50 | 368 |
| PKI | 574 | [illegible] |
| Porsche | 797.50 | 789.50 |
| Preussag | 292.20 | 295.50 |
| PWA Papier | 308.50 | 308 |
| RWE | 332 | 332.50 |
| Rheinmetall | 406.50 | 408 |
| Schering | 765.50 | 768.50 |
| SEL | 352 | [illegible] |
| Siemens | 614 | 612.80 |
| Thyssen AG | 234.80 | 234.60 |
| Varta | 300 | 300 |
| Veba | 334.50 | 334.50 |
| VEW | 193 | 196 |
| Viag | 353.50 | 354.50 |
| Volkswagen | 456 | 445.60 |
| Wella Vz | 646 | 637 |

Commerzbank index : 1956.40
Previous : 1957.50
FAZ index : 653.49
Previous : 653.14

### Helsinki

| | Close | Prev. |
|---|---|---|
| Amer A | 145 | 145 |
| Enso-Gutzeit | 34.50 | 35 |
| K.O.P. | 60.10 | 60.80 |
| Kymmene | 118 | 117 |
| Nokia | 113 | 114 |
| Pohjola | 278 | 275 |
| Stockmann | 269 | 265 |
| Utd Paper | 117 | 117 |
| Wartsila | 340 | 370 |

Unitas index : 775.40
Previous : 788.30

### Hong Kong

| | Close | Prev. |
|---|---|---|
| Bk East Asia | 14.40 | 14.50 |
| Cathay Pacific | 8.55 | 8.60 |
| Cavendish Int'l | 2.95 | 2.95 |
| Cheung Kong | 8 | 8.05 |
| China Light Pwr | 11.90 | 12 |
| Dairy Farm Int'l | 7.35 | 7.30 |
| Hang Lung Dev | 4.37 | 4.35 |
| Hang Seng Bank | 20.70 | 20.70 |
| Henderson Land | 5.25 | 5.15 |
| HK Air Eng. | 19.70 | 20 |
| HK China Gas | 17.20 | 17.40 |
| HK Electric Hdgs | 7.65 | 7.70 |
| HK Land Hold. | 8.15 | 8.15 |
| HK Realty Trust | 4.75 | 4.75 |
| HK Shang Bank | 5.45 | 5.40 |
| HK Shell Hlts | 4.37 | [illegible] |
| HK Telecomm | 4.80 | 4.82 |
| HK Ferry | 4.57 | 4.48 |
| Hutch Whampoa | 8.30 | 8.35 |
| Hysan Dev | 1.35 | [illegible] |
| Jardine Math. | 20.20 | 20.40 |
| Jardn Strat Hdg | 11.60 | 11.90 |
| Kowloon Motor | 7.30 | 7.45 |
| Mandarin Orient | 4.85 | 4.70 |
| Miramar Hotel | 5.90 | 5.90 |
| New World Dev | 9.50 | 9.55 |
| SHK Props | 10.60 | 10.80 |
| Stelux | 2.15 | 2.20 |
| Swire Pac A | 15.70 | 15.90 |
| Tai Cheung Prps | 3.82 | 3.72 |
| TVE | 0.84 | 0.88 |
| Wharf Hold. | 8.85 | 8.95 |
| Wing On Co | 6.70 | 6.70 |
| Winsor Ind. | 8.75 | 8.70 |
| World Int'l Hdgs | 3.70 | 3.75 |

Hang Seng Index : 2543.77
Previous : 2579.87

### Johannesburg

| | Close | Prev. |
|---|---|---|
| AECI | 2000 | 1850 |
| Altech | 8350 | 8400 |
| Anglo Amer Corp | 9975 | 10000 |
| Barlows | 4375 | 4400 |
| Blyvoor | 1075 | 1150 |
| Buffels | 4700 | 5300 |
| GFSA | 8400 | 8500 |
| Harmony | 2825 | 2875 |
| Highveld Steel | 2100 | 2100 |
| Kloof | 3675 | 3700 |
| Nedbank Grp Ltd | 920 | 910 |
| Rusplat | 7000 | 7100 |
| SA Brews | 2700 | 2750 |
| St Helena | 4100 | 4300 |
| Sasol | 1250 | 1300 |
| Welkom | 2275 | 2225 |
| Western Deep | 14000 | 14000 |

Composite Stock Index : 2758
Previous : 2763

### London

| | Close | Prev. |
|---|---|---|
| Allied Lyons | 520 | 522 |
| Am Gold | 41.87 | 41.87 |
| Anglo Amer Corp | 14.93 | 14.82 |
| Assoc Brit Foods | 387 | 385 |
| Asda-MFI Gp | 200 | 197 |
| Barclays Plc | [illegible] | [illegible] |
| Bass | 10.49 | 10.49 |
| B.A.T. | 847 | 847 |
| Blue Circle | 271 | 271 |
| BOC Group | 521 | 521 |
| Boots | 309 | 301 |
| Bowater Ind. | 508 | 508 |
| British Aerospace | 776 | 785 |
| British Airw. Auth | [illegible] | [illegible] |
| British Airways | 197 | 197 |
| British Gas | 209 | 209 |
| British Petroleum | [illegible] | 286 |
| British Steel | [illegible] | 299 |
| British Telecom | [illegible] | 75 |
| BTR | [illegible] | 256 |
| Burmah Oil | [illegible] | 411 |
| Cable Wireless | [illegible] | 630 |
| Cadbury Schwep | [illegible] | 377 |
| Charter Cons. | [illegible] | 408 |
| Commerc. Union | [illegible] | 553 |
| Cons Gold Field | 14.95 | 14.88 |
| Cookson Group | [illegible] | 331 |
| Courtaulds | [illegible] | 363 |
| Dalgety | [illegible] | 417 |
| De Beers | [illegible] | 14.27 |
| Dixons | [illegible] | 165 |
| Driefontein | [illegible] | 14.87 |
| Fisons | [illegible] | 348 |
| Free Gold (USD) | 9 | 9 |
| Gateway | [illegible] | 229 |
| Gen Accid Fire L | [illegible] | 10.58 |
| Gen Electric C | 277 | 273 |
| GKN | [illegible] | 408 |
| Glaxo | [illegible] | 15.80 |
| Grd Metropol Plc | [illegible] | 409 |
| Great Univ Stores | [illegible] | 14.12 |
| Guard Rvl Ex | [illegible] | 228 |
| Guinness Plc | [illegible] | 573 |
| Hanson Tr Plc | [illegible] | 232 |
| Hawker Siddeley | [illegible] | 741 |
| ICI Plc Stk Uts | [illegible] | 12.69 |
| Jaguar Plc | [illegible] | 408 |
| Kingfisher | [illegible] | 367 |
| Land Sec Plc | [illegible] | 402 |
| Legal Gen Grp | [illegible] | 357 |
| Lloyds Bank Plc | [illegible] | 375 |
| Lonrho Plc | [illegible] | 284 |
| Lucas Ind Plc | [illegible] | 678 |
| Marks Spencer | [illegible] | 218 |
| Maxwell Comm | [illegible] | 197 |
| MB Group New | [illegible] | 219 |
| Midland Bk Plc | [illegible] | 341 |
| Natl Westm Bank | [illegible] | 327 |
| Pearson Grp | [illegible] | 768 |
| P and O | [illegible] | 683 |
| Pilkington | [illegible] | 347 |
| Plessey | [illegible] | 284 |
| Prudential Corp | [illegible] | 308 |
| Racal Electronics | [illegible] | 472 |
| Randfontein $ | [illegible] | 54.50 |
| Rank Org | [illegible] | 974 |
| Reed Intl | [illegible] | 439 |
| Reuters | [illegible] | 138 |
| Rolls Royce | [illegible] | 184 |
| Royal Dutch | [illegible] | 41.62 |
| RTZ Corp | [illegible] | 540 |
| Saatchi | [illegible] | 317 |
| Sainsbury | [illegible] | 284 |
| Sears Holdg | [illegible] | 134 |
| Shell | [illegible] | 420 |
| Siebe | [illegible] | 583 |
| STC Plc | 371 | 373 |

F.T. 30 Index : 1957
Previous : 1939.70
F.T.S.E. 100 Index : 2341.50
Previous : 2327.50

### Madrid

| | Close | Prev. |
|---|---|---|
| Bco. Bilbao/Viz. | 840 | 840 |
| Bco. Central | 1025 | 1009 |
| Bco. Santander | [illegible] | [illegible] |
| Banesto | 1090 | 1085 |
| CEPSA | [illegible] | [illegible] |
| Dragados | 426 | 439.50 |
| Hidroelec. Esp. | [illegible] | [illegible] |
| Iberduero | 119.50 | 119.25 |
| Telefonica | 199.87 | 199.62 |

General Index : 289.78
Previous : 288.76

### Milan

| | Close | Prev. |
|---|---|---|
| Banca Comm | 5470 | 5520 |
| Bastogi | 417.75 | 418 |
| Ciga hotels | 5048 | 5100 |
| CIR | [illegible] | [illegible] |
| Cred Ital | [illegible] | [illegible] |
| Eridania | 7225 | 7210 |
| Ferruzzi Fin. | 3250 | 3270 |
| Ferruzzi Agr. | [illegible] | [illegible] |
| Fiat SPA | 11500 | 11440 |
| Generali | 45800 | 45450 |
| IFI | [illegible] | [illegible] |
| Italcem | [illegible] | [illegible] |
| Italgas | [illegible] | [illegible] |
| Italmobiliare | [illegible] | [illegible] |
| Mediobanca | [illegible] | [illegible] |
| Montedison | [illegible] | [illegible] |
| NBA | [illegible] | [illegible] |
| Olivetti | [illegible] | [illegible] |
| Pirelli | [illegible] | [illegible] |
| RAS | 31150 | 30900 |
| Rinascente | 6410 | 6440 |
| Saipem | [illegible] | [illegible] |
| SIP | [illegible] | [illegible] |
| SME | [illegible] | [illegible] |
| Snia | [illegible] | [illegible] |
| Standa | 27450 | 27450 |
| Stet | [illegible] | [illegible] |
| Toro Assi Risp | 24210 | 23850 |

MIB Index : 1188
Previous : 1173

### Paris

| | Close | Prev. |
|---|---|---|
| Accor | 758 | 751 |
| Air Liquide | 613 | 630 |
| Av Dassault | 653 | 645 |
| Bancaire | 647 | 637 |
| BIC | 716 | 716 |
| Bongrain | 3295 | 3295 |
| Bouygues | 746 | 735 |
| BSN-GD | 772 | 765 |
| Carrefour | 3435 | 3400 |
| Cerus | 433 | 435.10 |
| C.G.E. | 442 | 445 |
| Chargeurs | 1172 | 1145 |
| Club Med | 648 | 644 |
| Dumez | 1088 | 1080 |
| Elf-Aquitaine | 489 | 487.50 |
| Europe 1 | 880 | 888 |
| Gen. Eaux | 2070 | 2098 |
| Hachette | 445 | 446.10 |
| Havas | 1055 | 1048 |
| Imetal | 325 | 346 |
| Lafarge Coppee | 1723 | 1729 |
| Legrand | 3725 | 3703 |
| Oreal (L') | 4570 | 4720 |
| L.V.M.H. | 4391 | 4292 |
| Matra | 379 | 371.50 |
| Merlin Gerin | 4635 | 4630 |
| Michelin | 181.50 | 178 |
| Moulinex | 141 | 142.30 |
| Occidentale | 901 | 900 |
| Paribas | 507 | 507 |
| Pernod-Ricard | 1460 | 1472 |
| Perrier | 1432 | 1440 |
| Peugeot | 907 | 916 |
| Printemps (Au) | 800 | 797 |
| Radiotechnique | 634 | 631 |
| Raff. St. Louis | 1345 | 1345 |
| Redoute (La) | 4050 | 4099 |
| Roussel Uclaf | 1780 | 1760 |
| Saint Gobain | 661 | 661 |
| Sanofi | 997 | 991 |
| Skis Rossignol | 1214 | 1210 |
| Societ. Generale | 516 | 524 |
| Suez | 367.50 | 371 |
| Telemecanique | 3450 | 3450 |
| Thomson-CSF | 204.80 | 204 |
| Total | 480 | 475 |
| Valeo | 833 | 839 |

Bourse trend index : —0.86%
Previous : —0.28%

### Singapore

| | Close | Prev. |
|---|---|---|
| Cerebos | 5.15 | 5.10 |
| City Dev. | 4.60 | 4.56 |
| DBS | 10.80 | 10.60 |
| Fraser Neave | 9.90 | 9.90 |
| Genting | 5.95 | 5.95 |
| Harrisons Plant | 1.88 | 1.89 |
| Haw Par | 3.06 | 3.06 |
| Hume | 3 | 3.08 |
| Inchcape | 6 | 6.05 |
| Keppel | 5.15 | 5.10 |
| KL Kepong | 2.99 | 2.99 |
| Lum Chang | 1.46 | 1.45 |
| Malayan Banking | 7.10 | 7.05 |
| OCBC | 10 | 10 |
| OUB | 4.54 | 4.48 |
| OUE | 8.10 | 8.10 |
| Sembawang | 4.94 | 5 |
| Shangri-la | 8 | 7.85 |
| Sime Darby | 3.26 | 3.30 |
| SIA | 14.70 | 14.70 |
| S'pore Land | 13.20 | 13.40 |
| S'pore Press | 8.75 | 8.80 |
| Sing Steamship | 3.60 | 3.56 |
| Straits Trading | 4.62 | 4 |
| UOB | 5.50 | 5.45 |
| United Overseas | 2.61 | 2.57 |

Straits Times Ind. : 1351.74
Previous : 1349.18

### Sao Paulo

*Aug. 4*

| | Close | Prev. |
|---|---|---|
| Banco do Brasil | 0.57 | 0.56 |
| Bradesco | 0.17 | 0.17 |
| Brahma | 0.84 | 0.83 |
| Paranapanema | 0.08 | 0.07 |
| Petrobras | 2.37 | 2.30 |
| Varig | 0.62 | 0.62 |

Bovespa index : 12976
Previous : 12470

### Stockholm

| | Close | Prev. |
|---|---|---|
| AGA | 360 | 361 |
| Alfa Laval | 765 | 780 |
| Asea | 407 | 410 |
| Astra-A | 323 | 325 |
| Atlas Copco | 382 | 382 |
| Electrolux B | 378 | 380 |
| Ericsson | 407 | 406 |
| Esselte-A | [illegible] | [illegible] |
| Handelsbanken | [illegible] | [illegible] |
| Pharmacia-A | [illegible] | [illegible] |
| Norsk Hydro | [illegible] | [illegible] |
| Saab-Scania | [illegible] | [illegible] |
| Sandvik | [illegible] | [illegible] |
| SCA-A | [illegible] | [illegible] |
| S.E. Banken | 112 | 114 |
| Skandia Int-A | [illegible] | [illegible] |
| Skanska | [illegible] | [illegible] |
| SKF | 178 | 177 |
| Stora | 430 | 435 |
| Swedish Match B | 170 | 170 |
| Volvo | 473 | 475 |

Affaersvaerlden : 1298.40
Previous : 1292.96

### Sydney

| | Close | Prev. |
|---|---|---|
| ANZ | 5.18 | 5.14 |
| BHP | 9.90 | 9.78 |
| Boral | 4.82 | 4.88 |
| Bougainville | 2.10 | 2.15 |
| Coles Myer | 8.76 | 8.70 |
| Comalco | 3.92 | 4 |
| CRA | 10.16 | 10.32 |
| CSR | 5.02 | 4.94 |
| Dunlop | 4.98 | 5.02 |
| Elders IXL | 2.98 | 2.96 |
| ICI Australia | 6.40 | 6.40 |
| Magellan | 1.96 | 1.95 |
| MIM | 2.42 | 2.37 |
| Nat Aust Bank | 6.26 | 6.20 |
| News Corp | 17.20 | 17 |
| N Broken Hill | 2.52 | 2.56 |
| Poseidon | 3.32 | 3.42 |
| QCT Resources | 1.48 | N.A. |
| Santos | [illegible] | [illegible] |
| Thomas Nation | [illegible] | [illegible] |
| Western Mining | [illegible] | [illegible] |
| Westpac Banking | [illegible] | [illegible] |
| Woodside | 2.90 | 2.82 |

All Ordinaries Index : 1680
Previous : N.A.

### Tokyo

| | Close | Prev. |
|---|---|---|
| Akai Electr | 738 | 738 |
| Asahi Chemical | 1420 | 1400 |
| Asahi Glass | [illegible] | [illegible] |
| Bank of Tokyo | [illegible] | [illegible] |
| Bridgestone | [illegible] | [illegible] |
| Canon | [illegible] | [illegible] |
| Casio | 1430 | 1410 |
| C.Itoh | [illegible] | [illegible] |
| Dai Nippon Print | [illegible] | [illegible] |
| Daiwa House | [illegible] | [illegible] |
| Daiwa Securities | [illegible] | [illegible] |
| Fanuc | [illegible] | [illegible] |
| Fuji Bank | [illegible] | [illegible] |
| Fuji Photo | [illegible] | [illegible] |
| Fujitsu | [illegible] | [illegible] |
| Hitachi | [illegible] | [illegible] |
| Hitachi Cable | [illegible] | [illegible] |
| Honda | [illegible] | [illegible] |
| Ito Yokado | [illegible] | [illegible] |
| Japan Air Lines | 17100 | 16900 |
| Kajima | [illegible] | [illegible] |
| Kansai Power | [illegible] | [illegible] |
| Kawasaki Steel | [illegible] | [illegible] |
| Kirin Brewery | [illegible] | [illegible] |
| Komatsu | [illegible] | [illegible] |
| Kubota | [illegible] | [illegible] |
| Kyocera | [illegible] | [illegible] |
| Matsu Elec Inds | [illegible] | [illegible] |
| Matsu Elec Wks | [illegible] | [illegible] |
| Mitsubishi Bk | [illegible] | [illegible] |
| Mitsubishi Kasei | [illegible] | [illegible] |
| Mitsubishi Elec | [illegible] | [illegible] |
| Mitsubishi Hev | [illegible] | [illegible] |
| Mitsubishi Corp | [illegible] | [illegible] |
| Mitsui and Co | [illegible] | [illegible] |
| Mitsukoshi | [illegible] | [illegible] |
| Mitsumi | [illegible] | [illegible] |
| NEC | [illegible] | [illegible] |
| NGK Insulators | [illegible] | [illegible] |
| Nikko Securities | [illegible] | [illegible] |
| Nippon Kogaku | [illegible] | [illegible] |
| Nippon Oil | [illegible] | [illegible] |
| Nippon Steel | [illegible] | [illegible] |
| Nippon Yusen | [illegible] | [illegible] |
| Nissan | [illegible] | [illegible] |
| Nomura Sec | 3370 | 3390 |
| NTT (Fr Suisse) | [illegible] | [illegible] |
| Olympus Optical | [illegible] | [illegible] |
| Pioneer | [illegible] | [illegible] |
| Ricoh | [illegible] | [illegible] |
| Sanyo Elec | [illegible] | [illegible] |
| Sharp | [illegible] | [illegible] |
| Shimazu | [illegible] | [illegible] |
| Shinetsu Chem | [illegible] | [illegible] |
| Sony | [illegible] | [illegible] |
| Sumitomo Bk | [illegible] | [illegible] |
| Sumitomo Chem | [illegible] | [illegible] |
| Sumi Marine | [illegible] | [illegible] |
| Sumitomo Metal | [illegible] | [illegible] |
| Taisei Corp | [illegible] | [illegible] |
| Taisho Marine | [illegible] | [illegible] |
| Takeda Chem | [illegible] | [illegible] |
| TDK | [illegible] | [illegible] |
| Teijin | [illegible] | [illegible] |
| Tokyo Marine | [illegible] | [illegible] |
| Tokyo Elec Pw | [illegible] | [illegible] |
| Toppan Printing | [illegible] | [illegible] |
| Toray Ind. | [illegible] | [illegible] |
| Toshiba | [illegible] | [illegible] |
| Toyota | [illegible] | [illegible] |
| Yamaichi Sec | [illegible] | [illegible] |

Nikkei 225 : 34630
Previous : 34741
New Index : 2615
Previous : 2613

### Zurich

| | Close | Prev. |
|---|---|---|
| Adia | [illegible] | [illegible] |
| Alusuisse | [illegible] | [illegible] |
| Bank Leu | [illegible] | [illegible] |
| Brown Boveri | [illegible] | [illegible] |
| Ciba Geigy | [illegible] | [illegible] |
| Credit Suisse | [illegible] | [illegible] |
| Electrow | [illegible] | [illegible] |
| Fischer | [illegible] | [illegible] |
| Interdiscount | [illegible] | [illegible] |
| Jacob Suchard | [illegible] | [illegible] |
| Jelmoli | [illegible] | [illegible] |
| Landis Gyr | [illegible] | [illegible] |
| Moevenpick | [illegible] | [illegible] |
| Nestle | [illegible] | [illegible] |
| Oerlikon-B | [illegible] | [illegible] |
| Pargesa Hld | [illegible] | [illegible] |
| Roche Holding B | [illegible] | [illegible] |
| Sandoz | [illegible] | [illegible] |
| Schindler | [illegible] | [illegible] |
| Sulzer | [illegible] | [illegible] |
| Surveillance | [illegible] | [illegible] |
| Swissair | [illegible] | [illegible] |
| SBC | [illegible] | [illegible] |
| Swiss Reinsur | [illegible] | [illegible] |
| Swiss Volksbank | [illegible] | [illegible] |
| Union Bank | [illegible] | [illegible] |
| Winterthur | [illegible] | [illegible] |
| Zurich Ins | 2275 | 2270 |

S.B.C. Index : 691.30
Previous : 687.10

# BOT Unit Qualifies in Spain

*Reuters*

TOKYO — Tokio Servicos Financieros, a Spanish affiliate of Bank of Tokyo Ltd., has increased its capital so it can qualify as a securities firm under Spain's new securities market law, a BOT official said Monday.

Tokio Servicos's capital is now 750 million pesetas ($6.4 million), the minimum required to engage in securities business under the new law, from its previous 1 million, he said.

The company was the first Japanese-affiliated firm to obtain such a qualification since the new law took effect in January this year, he said. The deadline for applying to Spain's Finance Ministry was June 23.

The move was aimed at expanding securities business in Spain prior to the planned 1992 integration of the European Community, the BOT official said. There is room in the Spanish market for further expansion relative to other more competitive EC markets like Britain, he added.

Tokio Servicos was established in 1986 as a wholly owned unit of London-based Bank of Tokyo Capital Markets Ltd., which is owned by BOT's wholly-owned U.K. subsidiary Bank of Tokyo International Ltd., he said.

It has been actively underwriting bond issues and trading equities in Spain's secondary markets, he said.

## Market Closed

The stock markets in Canada were closed Monday for a holiday.

# BIS Says Commercial Banks Cut Lending to 3d World

*The Associated Press*

BASEL — Commercial banks made a record $90 billion in new customer loans in the first three months of 1989, but continued to cut lending to the Third World, the Bank for International Settlements said Monday.

Strong growth in the world economy and confidence in the U.S. dollar helped increase total international claims by nearly $300 billion, a BIS quarterly report said.

Adjusted for lending between banks themselves, loans increased by $90 billion in January-March, a quarterly record and almost double the new lending in the last quarter of 1988, said the BIS, which links central banks of the major industrial countries.

Reported new lending occurred largely in industrialized countries. Loans to nonoil-exporting Third World countries fell by $1.2 billion in the period, bringing the total decline over the two years ending March 31 to $9 billion, the BIS said.

# U.S. Futures

*Via The Associated Press*

*Aug. 7*

## Grains

**WHEAT (CBT)** 5,000 bu minimum- dollars per bushel

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 4.29 | 3.50½ | Sep | 3.86½ | 3.92 | 3.86½ | 3.91½ | +.04 |
| 4.40½ | 3.78 | Dec | 4.01¼ | 4.06½ | 4.00¼ | 4.06 | +.04½ |
| 4.43 | 3.97¾ | Mar | 4.06 | 4.11 | 4.05½ | 4.11 | +.05 |
| 4.32 | 3.81 | May | 3.92½ | 3.95 | 3.91 | 3.94 | +.03 |
| 3.85 | 3.50½ | Jul | 3.63 | 3.65¾ | 3.60 | 3.65½ | +.02¾ |
| 3.67 | 3.62 | Sep | | | | 3.68½ | +.03½ |

Est. Sales Prev. Sales 8,392
Prev. Day Open Int. 66,312 off 806

**CORN (CBT)** 5,000 bu minimum- dollars per bushel

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 3.17¾ | 2.17 | Sep | 2.21¼ | 2.27¼ | 2.21¼ | 2.26¾ | +.05¼ |
| 2.95 | 2.18½ | Dec | 2.24 | 2.29 | 2.23½ | 2.28¾ | +.04¾ |
| 2.86½ | 2.26 | Mar | 2.30½ | 2.36¼ | 2.30½ | 2.34¾ | +.05 |
| 2.89½ | 2.30 | May | 2.36 | 2.42¼ | 2.36 | 2.39½ | +.04½ |
| 2.85 | 2.31 | Jul | 2.38½ | 2.44 | 2.38½ | 2.41 | +.04½ |
| 2.71 | 2.29 | Sep | 2.41 | 2.41 | 2.37½ | 2.37½ | +.03½ |
| 2.63½ | 2.22 | Dec | 2.34¾ | 2.40½ | 2.34¾ | 2.38½ | +.05 |

Est. Sales Prev. Sales 23,945
Prev. Day Open Int. 148,113 off 1,610

**SOYBEANS (CBT)** 5,000 bu minimum- dollars per bushel

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 9.51 | 5.82 | Aug | 5.92 | 6.05 | 5.92 | 6.01½ | +.10¼ |
| 8.35 | 5.67 | Sep | 5.82 | 5.91 | 5.82 | 5.85½ | +.04¼ |
| 7.93 | 5.62 | Nov | 5.78 | 5.87 | 5.78 | 5.80¾ | +.02¾ |
| 7.67 | 5.72 | Jan | 5.89½ | 5.96 | 5.88 | 5.90¾ | +.02¾ |
| 7.74 | 5.81½ | Mar | 5.97¾ | 6.06 | 5.97½ | 6.00½ | +.02¾ |
| 7.78 | 5.89 | May | 6.05½ | 6.13 | 6.05½ | 6.07¾ | +.02¼ |
| 7.31 | 5.94 | Jul | 6.10½ | 6.16 | 6.10 | 6.11 | +.04 |
| 7.05 | 5.88 | Aug | | | | 6.02 | +.02 |
| 6.60 | 5.78 | Sep | | | | 5.85 | —.01 |
| 6.60 | 5.76 | Nov | 5.83 | 5.88 | 5.81 | 5.82½ | —.00¼ |

Est. Sales Prev. Sales 32,426
Prev. Day Open Int. 382,035 up 4,815

**SOYBEAN MEAL (CBT)** 100 tons- dollars per ton

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 298.00 | 183.20 | Aug | 188.00 | 192.00 | 188.00 | 191.70 | +3.50 |
| 286.00 | 180.10 | Sep | 183.50 | 185.60 | 183.50 | 184.40 | +1.00 |
| 280.00 | 176.70 | Oct | 180.00 | 183.00 | 180.80 | 180.70 | +1.00 |
| 260.00 | 175.80 | Dec | 179.20 | 182.50 | 179.20 | 179.90 | +.60 |
| 230.00 | 176.50 | Jan | 180.50 | 183.00 | 180.00 | 180.10 | —.10 |
| 249.20 | 178.10 | Mar | 184.00 | 185.00 | 182.10 | 182.10 | —.10 |
| 230.50 | 179.00 | May | 184.50 | 185.00 | 183.00 | 183.20 | —.30 |
| 208.00 | 179.50 | Jul | 185.50 | 186.00 | 183.00 | 183.20 | —.50 |
| 184.00 | 181.00 | Aug | | | | 182.50 | —.20 |
| 182.50 | 181.00 | Sep | | | | 182.50 | —.20 |

Est. Sales Prev. Sales 14,397
Prev. Day Open Int. 62,675 up 472

**SOYBEAN OIL (CBT)** 60,000 lbs- dollars per 100 lbs.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 22.05 | 17.46 | Aug | 17.90 | 18.25 | 17.90 | 18.11 | +.27 |
| 20.50 | 17.81 | Sep | 18.05 | 18.39 | 18.05 | 18.26 | +.27 |
| 20.00 | 18.04 | Oct | 18.43 | 18.62 | 18.38 | 18.48 | +.23 |
| 28.05 | 18.40 | Dec | 18.75 | 19.07 | 18.71 | 18.92 | +.28 |
| 25.45 | 18.63 | Jan | 18.95 | 19.28 | 18.95 | 19.10 | +.25 |
| 25.85 | 19.05 | Mar | 19.40 | 19.68 | 19.40 | 19.52 | +.27 |
| 26.05 | 19.36 | May | 19.79 | 19.99 | 19.75 | 19.80 | +.30 |
| 25.80 | 19.55 | Jul | 19.95 | 20.25 | 19.95 | 20.09 | +.34 |
| 23.90 | 19.60 | Aug | | | | 20.00 | +.25 |
| 21.70 | 19.60 | Sep | | | | 20.02 | +.27 |

Est. Sales Prev. Sales 14,444
Prev. Day Open Int. 70,492 up 749

## Livestock

**CATTLE (CME)** 40,000 lbs.- cents per lb.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 74.25 | 65.00 | Aug | 74.00 | 74.07 | 73.75 | 73.82 | —.35 |
| 75.30 | 66.30 | Sep | 75.45 | 75.45 | 75.45 | 75.45 | +.25 |
| 76.65 | 68.30 | Oct | 76.55 | 76.70 | 76.30 | 76.45 | —.17 |
| 75.10 | 62.00 | Dec | 74.97 | 75.22 | 74.80 | 74.87 | —.10 |
| 73.87 | 69.80 | Feb | 74.00 | 74.27 | 73.82 | 74.05 | +.23 |
| 74.87 | 70.80 | Apr | 74.95 | 75.35 | 74.90 | 75.15 | +.28 |
| 73.25 | 69.75 | Jun | 73.15 | 73.25 | 73.00 | 73.25 | +.25 |
| 71.75 | 69.50 | Aug | 71.40 | 71.60 | 71.20 | 71.60 | +.50 |

Est. Sales 14,761 Prev. Sales 15,732
Prev. Day Open Int. 79,054 off 167

**FEEDER CATTLE (CME)** 44,000 lbs.- cents per lb.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 84.55 | 75.65 | Aug | 84.40 | 84.75 | 84.20 | 84.57 | +.07 |
| 83.85 | 75.50 | Sep | 83.75 | 84.00 | 83.60 | 83.70 | —.10 |
| 83.95 | 75.90 | Oct | 83.65 | 84.10 | 83.60 | 83.67 | —.25 |
| 84.40 | 76.60 | Nov | 84.35 | 84.50 | 84.02 | 84.05 | —.32 |
| 84.35 | 77.30 | Jan | 84.15 | 84.30 | 83.80 | 83.90 | —.40 |
| 82.80 | 77.40 | Mar | 83.00 | 83.00 | 82.85 | 83.00 | +.05 |
| 82.35 | 78.90 | Apr | 82.35 | 82.45 | 82.25 | 82.30 | +.10 |
| 81.10 | 78.75 | May | 81.30 | 81.30 | 81.20 | 81.20 | |

Est. Sales 1,406 Prev. Sales 1,906
Prev. Day Open Int. 12,733 off 184

**HOGS (CME)** 30,000 lbs.- cents per lb.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 51.00 | 43.25 | Aug | 46.70 | 46.85 | 46.55 | 46.65 | —.15 |
| 47.00 | 38.55 | Oct | 41.10 | 41.22 | 41.00 | 41.10 | —.12 |
| 47.25 | 38.75 | Dec | 42.95 | 43.47 | 42.80 | 43.27 | +.25 |
| 48.00 | 41.75 | Feb | 43.65 | 44.27 | 43.65 | 43.95 | +.18 |
| 45.10 | 39.40 | Apr | 41.45 | 41.80 | 41.25 | 41.45 | +.18 |
| 48.70 | 44.25 | Jun | 45.75 | 46.00 | 45.75 | 45.95 | +.08 |
| 48.95 | 44.95 | Jul | 46.17 | 46.25 | 46.17 | 46.30 | +.08 |
| 45.60 | 43.85 | Aug | 44.90 | 44.90 | 44.50 | 44.55 | —.05 |

Est. Sales 4,661 Prev. Sales 8,253
Prev. Day Open Int. 25,544 up 310

**PORK BELLIES (CME)** 40,000 lbs.- cents per lb.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 58.20 | 24.27 | Aug | 26.30 | 26.85 | 26.10 | 26.35 | +.08 |
| 61.60 | 38.70 | Feb | 40.60 | 40.80 | 40.00 | 40.07 | —.38 |
| 60.00 | 38.65 | Mar | 40.40 | 40.55 | 39.80 | 39.90 | —.50 |
| 60.90 | 39.70 | May | 41.35 | 41.35 | 40.90 | 41.10 | —.30 |
| 60.50 | 40.50 | Jul | 42.35 | 42.35 | 41.05 | 41.05 | —.30 |
| 55.80 | 39.30 | Aug | | | | 40.50 | |

Est. Sales 2,432 Prev. Sales 3,756
Prev. Day Open Int. 13,605 off 252

## Food

**COFFEE C (NYCSCE)** 37,500 lbs.- cents per lb.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 152.90 | 78.50 | Sep | 81.00 | 82.50 | 80.20 | 82.50 | +.89 |
| 149.50 | 80.80 | Dec | 83.00 | 83.90 | 82.10 | 83.77 | +.28 |
| 146.00 | 83.10 | Mar | 85.50 | 86.50 | 84.75 | 86.25 | +.25 |
| 124.50 | 85.30 | May | 88.00 | 88.50 | 87.25 | 88.50 | +.02 |
| 132.25 | 87.60 | Jul | 91.00 | 91.00 | 90.25 | 90.38 | —.95 |
| 120.00 | 91.00 | Sep | 92.50 | 92.50 | 91.50 | 92.20 | —1.30 |
| 104.00 | 90.75 | Dec | 95.50 | 95.50 | 95.50 | 95.68 | —1.57 |

Est. Sales 4,105 Prev. Sales 6,192
Prev. Day Open Int. 30,590 up 326

**SUGAR WORLD 11 (NYCSCE)** 112,000 lbs.- cents per lb.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 14.79 | 8.45 | Oct | 14.10 | 14.25 | 13.90 | 13.94 | —.24 |
| 13.30 | 8.80 | Jan | | | | 12.39 | —.24 |
| 13.85 | 8.75 | Mar | 13.21 | 13.30 | 13.05 | 13.05 | —.16 |
| 13.40 | 9.20 | May | 13.00 | 13.05 | 12.83 | 12.84 | —.12 |
| 13.48 | 10.55 | Jul | 12.85 | 12.85 | 12.65 | 12.65 | —.15 |
| 13.19 | 10.40 | Oct | 12.45 | 12.65 | 12.45 | 12.45 | —.20 |

Est. Sales 27,005 Prev. Sales 25,707
Prev. Day Open Int. 182,358 off 2,777

**COCOA (NYCSCE)** 10 metric tons- $ per ton

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 1850 | 1127 | Sep | 1299 | 1303 | 1288 | 1294 | —24 |
| 1735 | 1133 | Dec | 1330 | 1333 | 1320 | 1322 | —27 |
| 1535 | 1133 | Mar | 1320 | 1325 | 1316 | 1317 | —23 |
| 1465 | 1138 | May | 1335 | 1335 | 1327 | 1320 | —25 |
| 1380 | 1154 | Jul | | | | 1334 | —24 |
| 1400 | 1180 | Sep | 1350 | 1357 | 1350 | 1353 | —20 |
| 1395 | 1395 | Dec | 1370 | 1383 | 1370 | 1376 | —19 |

Est. Sales 3,546 Prev. Sales 7,707
Prev. Day Open Int. 49,541 up 101

**ORANGE JUICE (NYCE)** 15,000 lbs.- cents per lb.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 187.75 | 132.00 | Sep | 153.50 | 153.90 | 151.60 | 153.10 | —1.65 |
| 179.50 | 129.00 | Nov | 141.25 | 142.50 | 141.05 | 142.50 | —.05 |
| 173.00 | 127.50 | Jan | 140.60 | 140.60 | 140.00 | 140.50 | —.30 |
| 171.30 | 127.75 | Mar | 140.10 | 140.10 | 140.00 | 140.00 | —.30 |
| 169.00 | 139.50 | May | 139.50 | 139.50 | 139.25 | 139.25 | —.25 |
| | | Jul | | | | 139.25 | +.25 |
| 160.00 | 142.00 | Sep | | | | 137.75 | —1.25 |
| | | Nov | | | | 137.75 | —1.25 |
| | | Jan | | | | 137.75 | —1.25 |

Est. Sales Prev. Sales 1,138
Prev. Day Open Int. 7,683 up 78

## Metals

**COPPER (COMEX)** 25,000 lbs.- cents per lb.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 116.55 | 110.20 | Aug | 111.20 | 111.20 | 111.20 | 110.75 | —2.25 |
| 131.50 | 76.00 | Sep | 111.00 | 111.60 | 110.30 | 110.55 | —2.25 |
| | | Oct | | | | 109.60 | —2.20 |
| 126.00 | 77.45 | Dec | 108.00 | 108.50 | 107.30 | 107.60 | —2.15 |

Est. Sales 5,200 Prev. Sales 10,944
Prev. Day Open Int. 22,576 up 1,082

**ALUMINUM (COMEX)** 40,000 lbs.- cents per lb.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| | | Aug | | | | 80.50 | —1.00 |
| 104.00 | 76.50 | Sep | | | | 80.50 | —1.00 |
| | | Oct | | | | 79.50 | —1.00 |
| 98.50 | 74.50 | Dec | | | | 79.50 | —1.00 |
| 82.50 | 82.50 | Jan | | | | 79.00 | —1.00 |
| 87.00 | 78.00 | Mar | | | | 78.00 | —1.00 |
| | | May | | | | 78.00 | —1.00 |
| 95.50 | 95.50 | Jul | | | | 78.00 | —1.00 |
| | | Sep | | | | 78.00 | —1.00 |
| | | Dec | | | | 78.00 | —1.00 |
| | | Jan | | | | 78.00 | —1.00 |
| | | Mar | | | | 78.00 | —1.00 |
| | | May | | | | 78.00 | —1.00 |

Est. Sales Prev. Sales
Prev. Day Open Int. 92 up 1

**SILVER (COMEX)** 5,000 troy oz.- cents per troy oz.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 536.0 | 510.5 | Aug | 517.0 | 517.0 | 514.5 | 512.8 | —4.0 |
| 841.0 | 512.5 | Sep | 520.5 | 522.5 | 515.0 | 516.0 | —4.0 |
| | | Oct | | | | 519.9 | —4.0 |
| 884.0 | 525.0 | Dec | 534.0 | 534.5 | 527.0 | 528.0 | —4.0 |
| 815.0 | 530.0 | Jan | | | | 531.7 | —4.0 |
| 910.0 | 534.5 | Mar | 544.0 | 545.0 | 538.5 | 539.0 | —4.0 |
| 910.0 | 543.0 | May | 551.5 | 551.0 | 548.0 | 546.6 | —3.9 |
| 761.5 | 551.0 | Jul | 555.0 | 555.0 | 555.0 | 554.5 | —3.8 |
| 760.0 | 565.0 | Sep | | | | 562.4 | —3.7 |
| 742.0 | 574.5 | Dec | 578.4 | 578.4 | 578.4 | 573.7 | —3.7 |
| 688.5 | 596.0 | Jan | | | | 577.4 | —3.7 |
| 665.0 | 583.0 | Mar | 590.0 | 590.0 | 590.0 | 585.2 | —3.7 |
| 608.0 | 603.0 | May | 599.0 | 599.0 | 599.0 | 593.3 | —3.7 |

Est. Sales 13,000 Prev. Sales 20,465
Prev. Day Open Int. 87,169 off 1,250

**PLATINUM (NYME)** 50 troy oz.- dollars per troy oz.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 500.00 | 500.00 | Sep | | | | 481.60 | —4.60 |
| 609.00 | 475.20 | Oct | 490.00 | 491.00 | 480.00 | 484.60 | —4.60 |
| 601.50 | 478.00 | Jan | 491.00 | 491.50 | 484.10 | 487.60 | —4.70 |
| 557.50 | 490.00 | Apr | 490.50 | 491.00 | 490.50 | 490.90 | —4.70 |
| 523.70 | 494.50 | Jul | 498.00 | 498.00 | 492.00 | 494.10 | —4.50 |
| 528.00 | 516.00 | Oct | | | | 497.20 | —4.50 |

Est. Sales 7,426 Prev. Sales 5,985
Prev. Day Open Int. 18,686 up 604

**PALLADIUM (NYME)** 100 troy oz- dollars per oz

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| | | Aug | | | | 132.40 | —.85 |
| 180.00 | 116.00 | Sep | 135.50 | 136.00 | 133.50 | 133.65 | —.85 |
| 177.50 | 120.50 | Dec | 135.00 | 136.00 | 132.25 | 133.45 | —.85 |
| 176.00 | 123.00 | Mar | 135.00 | 135.00 | 133.50 | 133.45 | —.95 |
| 175.00 | 133.50 | Jun | 133.75 | 134.50 | 133.75 | 133.45 | —.95 |
| 149.50 | 133.00 | Sep | | | | 133.45 | —.95 |

Est. Sales 594 Prev. Sales 495
Prev. Day Open Int. 7,662 off 173

**GOLD (COMEX)** 100 troy oz.- dollars per troy oz.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 575.00 | 360.50 | Aug | 367.80 | 367.80 | 365.00 | 365.90 | —1.90 |
| 382.00 | 369.50 | Sep | 367.50 | 367.50 | 367.50 | 367.50 | —2.00 |
| 575.50 | 365.00 | Oct | 371.40 | 371.50 | 368.00 | 369.40 | —2.00 |
| 514.50 | 367.50 | Dec | 375.20 | 375.40 | 372.00 | 373.40 | —2.00 |
| 516.00 | 374.50 | Feb | 378.30 | 378.30 | 377.00 | 377.20 | —2.00 |
| 525.80 | 377.50 | Apr | 382.10 | 382.10 | 379.50 | 381.00 | —2.00 |
| 497.00 | 381.00 | Jun | 386.00 | 386.00 | 383.50 | 384.90 | —2.00 |
| 487.00 | 384.50 | Aug | 388.50 | 388.50 | 386.50 | 388.80 | —2.00 |
| 472.00 | 391.00 | Oct | | | | 392.70 | —2.00 |
| 455.50 | 394.00 | Dec | 397.50 | 397.50 | 397.50 | 396.70 | —2.00 |
| 430.00 | 397.50 | Feb | 402.00 | 402.00 | 402.00 | 400.80 | —2.00 |
| 415.50 | 402.00 | Apr | | | | 404.90 | —2.00 |
| 414.00 | 414.00 | Jun | | | | 409.00 | —2.00 |

Est. Sales 26,000 Prev. Sales 31,397
Prev. Day Open Int. 145,443 off 736

## Financial

**US T. BILLS (IMM)** $1 million- pts of 100 pct.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 93.13 | 90.41 | Sep | 92.57 | 92.57 | 92.36 | 92.40 | —.10 |
| 93.65 | 90.50 | Dec | 92.92 | 92.96 | 92.76 | 92.83 | —.10 |
| 93.60 | 90.75 | Mar | 92.98 | 92.98 | 92.88 | 92.98 | |
| 93.58 | 91.10 | Jun | 92.90 | 92.90 | 92.83 | 92.86 | —.03 |
| 93.65 | 91.28 | Sep | | | | 92.80 | —.01 |

Est. Sales 7,796 Prev. Sales 11,562
Prev. Day Open Int. 23,327 off 229

**10 YR. TREASURY (CBT)** $100,000 prin- pts & 32nds of 100 pct

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 102-8 | 89-13 | Sep | 99-22 | 100-1 | 99-12 | 99-25 | —3 |
| 102-5 | 91-17 | Dec | 99-30 | 100 | 99-12 | 99-26 | —2 |
| 99-30 | 95-17 | Mar | 99-20 | 99-22 | 99-20 | 99-22 | —3 |

Est. Sales Prev. Sales 46,635
Prev. Day Open Int. 84,802 off 386

**US TREASURY BONDS (CBT)** (8 pct-$100,000-pts & 32nds of 100 pct)

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 101-9 | 72-26 | Sep | 97-30 | 98-5 | 97-12 | 97-30 | +1 |
| 101-2 | 72-18 | Dec | 97-26 | 98 | 97-6 | 97-25 | +1 |
| 100-24 | 72-1 | Mar | 97-14 | 97-23 | 97 | 97-17 | +1 |
| 100-11 | 75 | Jun | 97-13 | 97-13 | 96-25 | 97-8 | +1 |
| 100 | 79-1 | Sep | 97-1 | 97-2 | 96-14 | 97 | +2 |
| 99-21 | 80 | Dec | 96-26 | 96-26 | 96-10 | 96-24 | +3 |
| 98-6 | 79-21 | Mar | 96-6 | 96-16 | 96-6 | 96-16 | +4 |
| 99-4 | 82-18 | Jun | | | | 96-8 | +5 |
| 96-1 | 86-4 | Sep | | | | 96 | +6 |
| 96-1 | 88-18 | Dec | | | | 95-23 | +6 |
| 96-22 | 95-8 | Mar | | | | 95-14 | +6 |

Est. Sales Prev. Sales 562,800
Prev. Day Open Int. 349,736 off 4,125

**MUNICIPAL BONDS (CBT)** $1000x index-pts & 32nds of 100 pct

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 96-8 | 78-6 | Sep | 94-7 | 94-9 | 93-26 | 94-4 | |
| 96-1 | 81-10 | Dec | 92-28 | 94-1 | 93-17 | 93-27 | —1 |
| 95-23 | 85-19 | Mar | 93-15 | 93-16 | 93-8 | 93-16 | —2 |
| 95-10 | 87-2 | Jun | 92-30 | 93-6 | 92-30 | 93-6 | —3 |
| 94-6 | 91-15 | Sep | | | | 92-28 | —4 |

Est. Sales Prev. Sales 6,972
Prev. Day Open Int. 18,634 off 717

**EURODOLLARS (IMM)** $1 million-pts of 100 pct.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 91.92 | 88.70 | Sep | 91.46 | 91.50 | 91.39 | 91.45 | |
| 92.36 | 88.84 | Dec | 91.77 | 91.79 | 91.69 | 91.76 | +.01 |
| 92.46 | 88.90 | Mar | 91.81 | 91.88 | 91.78 | 91.88 | +.10 |
| 92.35 | 88.82 | Jun | 91.72 | 91.77 | 91.68 | 91.76 | +.08 |
| 92.21 | 88.74 | Sep | 91.62 | 91.64 | 91.57 | 91.63 | +.06 |
| 91.99 | 89.85 | Dec | 91.45 | 91.46 | 91.39 | 91.44 | +.04 |
| 91.90 | 89.96 | Mar | 91.43 | 91.45 | 91.36 | 91.42 | +.03 |
| 91.85 | 89.91 | Jun | 91.42 | 91.45 | 91.35 | 91.40 | +.02 |
| 91.83 | 90.04 | Sep | 91.42 | 91.43 | 91.36 | 91.39 | +.01 |
| 91.78 | 90.04 | Dec | 91.40 | 91.40 | 91.31 | 91.33 | |
| 91.82 | 90.09 | Mar | 91.43 | 91.43 | 91.33 | 91.36 | |
| 91.76 | 91.19 | Jun | 91.41 | 91.41 | 91.31 | 91.34 | |
| 91.72 | 91.02 | Sep | 91.33 | 91.33 | 91.29 | 91.29 | |
| 91.65 | 91.04 | Mar | 91.28 | 91.28 | 91.23 | 91.23 | |

Est. Sales 158,454 Prev. Sales 348,917
Prev. Day Open Int. 758,103 up 20,825

**BRITISH POUND (IMM)** $ per pound- 1 point equals $0.0001

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 1.7754 | 1.4750 | Sep | 1.5952 | 1.6006 | 1.5836 | 1.5880 | —80 |
| 1.7400 | 1.4550 | Dec | 1.5750 | 1.5792 | 1.5630 | 1.5686 | —76 |
| 1.6160 | 1.4600 | Mar | 1.5540 | 1.5600 | 1.5450 | 1.5502 | —68 |
| 1.6750 | 1.4400 | Jun | 1.5310 | 1.5310 | 1.5310 | 1.5340 | —70 |

Est. Sales Prev. Sales 14,549
Prev. Day Open Int. 21,302 off 2,070

**CANADIAN DOLLAR (IMM)** $ per dlr- 1 point equals $0.0001

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| .8499 | .7940 | Sep | .8472 | .8489 | .8467 | .8485 | +30 |
| .8428 | .7920 | Dec | .8400 | .8422 | .8398 | .8417 | +32 |
| .8350 | .7890 | Mar | | | | .8357 | +34 |
| .8301 | .8088 | Jun | | | | .8302 | +36 |
| .8165 | .8107 | Sep | | | | .8250 | +38 |

Est. Sales Prev. Sales 4,391
Prev. Day Open Int. 29,139 up 6

**FRENCH FRANC (IMM)** $ per franc- 1 point equals $0.00001

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| .16050 | .14540 | Sep | .15405 | .15405 | .15405 | .15405 | —90 |
| .16105 | .14540 | Dec | .15385 | .15385 | .15385 | .15385 | —90 |

Est. Sales Prev. Sales 4
Prev. Day Open Int. 2,252

**GERMAN MARK (IMM)** $ per mark- 1 point equals $0.0001

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| .5977 | .4910 | Sep | .5239 | .5265 | .5221 | .5226 | —28 |
| .5825 | .4925 | Dec | .5255 | .5283 | .5242 | .5246 | —27 |
| .5468 | .5000 | Mar | .5276 | .5276 | .5265 | .5265 | —27 |

Est. Sales Prev. Sales 44,040
Prev. Day Open Int. 65,693 off 4,347

**JAPANESE YEN (IMM)** $ per yen- 1 point equals $0.000001

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| .008580 | .006652 | Sep | .007173 | .007210 | .007155 | .007168 | —13 |
| .008650 | .006705 | Dec | .007226 | .007262 | .007211 | .007222 | —12 |
| .008338 | .006780 | Mar | | | | .007272 | —12 |
| .007530 | .007170 | Jun | | | | .007318 | —12 |

Est. Sales Prev. Sales 41,970
Prev. Day Open Int. 56,451 off 124

**SWISS FRANC (IMM)** $ per franc- 1 point equals $0.0001

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| .7210 | .5990 | Sep | .6077 | .6125 | .6070 | .6081 | —16 |
| .6345 | .6045 | Dec | .6100 | .6143 | .6094 | .6106 | —12 |
| .6350 | .5740 | Mar | .6174 | .6175 | .6115 | .6135 | —3 |

Est. Sales Prev. Sales 31,972
Prev. Day Open Int. 39,218 up 1,079

## Industrials

**LUMBER (CME)** 150,000 bd. ft.- $ per 1,000 bd. ft.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 194.70 | 175.10 | Sep | 185.00 | 187.50 | 185.00 | 186.70 | —.30 |
| 190.40 | 176.30 | Nov | 184.30 | 185.80 | 184.30 | 185.60 | +.30 |
| 192.00 | 181.20 | Jan | 187.70 | 189.20 | 187.70 | 189.10 | +.40 |
| 193.90 | 185.00 | Mar | 192.00 | 192.00 | 191.00 | 191.60 | —.50 |
| 196.70 | 188.00 | May | 194.60 | 195.10 | 194.30 | 194.60 | —.50 |
| 197.60 | 177.50 | Jul | 196.50 | 196.50 | 196.20 | 196.80 | —.10 |

Est. Sales 913 Prev. Sales 1,240
Prev. Day Open Int. 8,457 up 21

**COTTON 2 (NYCE)** 50,000 lbs.- cents per lb.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 75.70 | 50.25 | Oct | 74.50 | 74.50 | 72.94 | 72.94 | —2.00 |
| 76.75 | 50.75 | Dec | 75.20 | 75.30 | 73.96 | 73.96 | —2.00 |
| 77.25 | 53.60 | Mar | 75.90 | 76.00 | 74.50 | 74.70 | —1.88 |
| 77.45 | 55.90 | May | 76.35 | 76.35 | 74.95 | 75.17 | —1.68 |
| 77.40 | 62.70 | Jul | 75.95 | 75.95 | 74.32 | 74.47 | —1.78 |
| 71.00 | 63.95 | Oct | 67.50 | 67.70 | 67.50 | 67.70 | —1.55 |
| 69.20 | 66.25 | Dec | 66.50 | 66.50 | 65.00 | 65.30 | —1.45 |

Est. Sales 7,000 Prev. Sales 2,347
Prev. Day Open Int. 43,939 off 2

**HEATING OIL (NYME)** 42,000 gal- cents per gal

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 54.50 | 36.25 | Sep | 49.10 | 49.10 | 48.30 | 48.50 | —.48 |
| 54.90 | 37.20 | Oct | 49.50 | 49.65 | 49.05 | 49.05 | —.46 |
| 55.50 | 38.00 | Nov | 50.20 | 50.30 | 49.60 | 49.60 | —.75 |
| 56.05 | 39.00 | Dec | 51.00 | 51.05 | 50.45 | 50.55 | —.45 |
| 54.50 | 46.60 | Jan | 51.10 | 51.25 | 50.65 | 50.70 | —.50 |
| 53.50 | 48.00 | Feb | 50.50 | 50.60 | 50.25 | 50.25 | —.45 |
| 51.35 | 46.40 | Mar | 48.50 | 48.55 | 48.50 | 48.50 | —.05 |
| 49.76 | 45.00 | Apr | 46.80 | 46.85 | 46.80 | 46.85 | +.20 |
| 48.00 | 44.50 | May | 45.65 | 45.85 | 45.00 | 45.00 | —.65 |

Est. Sales Prev. Sales 9,608
Prev. Day Open Int. 61,598 off 908

**CRUDE OIL (NYME)** 1,000 bbl.- dollars per bbl.

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 20.12 | 12.68 | Sep | 18.04 | 18.08 | 17.81 | 17.90 | —.13 |
| 19.50 | 12.75 | Oct | 17.74 | 17.75 | 17.55 | 17.65 | —.05 |
| 19.23 | 15.00 | Nov | 17.68 | 17.69 | 17.52 | 17.58 | —.08 |
| 19.05 | 12.87 | Dec | 17.60 | 17.62 | 17.50 | 17.56 | —.06 |
| 18.93 | 15.67 | Jan | 17.51 | 17.56 | 17.45 | 17.51 | —.05 |
| 18.84 | 15.74 | Feb | 17.45 | 17.50 | 17.41 | 17.43 | —.09 |
| 18.80 | 16.10 | Mar | 17.45 | 17.46 | 17.41 | 17.44 | —.05 |
| 18.71 | 16.30 | Apr | 17.43 | 17.43 | 17.38 | 17.40 | —.07 |
| 18.70 | 16.20 | May | 17.40 | 17.40 | 17.37 | 17.37 | —.08 |
| 18.63 | 16.50 | Jun | 17.40 | 17.40 | 17.40 | 17.40 | —.03 |
| 18.54 | 16.60 | Jul | 17.44 | 17.44 | 17.44 | 17.44 | +.02 |
| 18.54 | 16.39 | Aug | 17.20 | 17.20 | 17.20 | 17.20 | —.21 |
| 18.48 | 16.50 | Sep | 17.40 | 17.40 | 17.40 | 17.40 | |
| 18.50 | 16.50 | Oct | 17.39 | 17.39 | 17.39 | 17.39 | |
| 18.28 | 17.30 | Nov | 17.38 | 17.38 | 17.38 | 17.38 | |

Est. Sales Prev. Sales 43,803
Prev. Day Open Int. 208,704 up 219

## Stock Indexes

**SP COMP. INDEX (CME)** points and cents

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 350.80 | 271.50 | Sep | 347.40 | 352.30 | 346.00 | 351.80 | +5.55 |
| 354.65 | 298.90 | Dec | 351.50 | 356.40 | 350.20 | 356.00 | +5.75 |
| 357.20 | 325.80 | Mar | 355.60 | 355.60 | 354.45 | 360.20 | +6.10 |
| 357.00 | 334.50 | Jun | | | | 364.50 | +6.40 |

Est. Sales Prev. Sales 41,245
Prev. Day Open Int. 122,497 off 2,124

**VALUE LINE (KCBT)** points and cents

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 302.20 | 266.20 | Sep | 300.70 | 305.20 | 300.70 | 304.70 | +4.60 |
| 304.75 | 271.00 | Dec | 306.40 | 306.40 | 306.40 | 308.85 | +4.60 |
| 302.00 | 292.00 | Mar | | | | 312.85 | +4.60 |

Est. Sales Prev. Sales 84
Prev. Day Open Int. 1,774 up 6

**NYSE COMP. INDEX (NYFE)** points and cents

| Season High | Season Low | | Open | High | Low | Close | Chg. |
|---|---|---|---|---|---|---|---|
| 195.15 | 153.00 | Sep | 192.95 | 195.75 | 192.55 | 195.55 | +2.95 |
| 197.30 | 161.10 | Dec | 195.50 | 198.00 | 194.90 | 197.75 | +3.00 |
| 198.95 | 170.20 | Mar | 198.15 | 198.15 | 198.15 | 199.85 | +3.00 |
| 200.50 | 188.00 | Jun | | | | 201.95 | +3.00 |

Est. Sales Prev. Sales 7,380
Prev. Day Open Int. 6,659 up 57

## Commodity Indexes

| | Close | Previous |
|---|---|---|
| Moody's | 1,117.20 f | 1,118.60 f |
| Reuters | 1,904.80 | 1,897.80 |
| D.J. Futures | 128.57 | 128.93 |
| Com. Research | N.A. | 222.63 |

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

## Market Guide

| | |
|---|---|
| CBT: | Chicago Board of Trade |
| CME: | Chicago Mercantile Exchange |
| IMM: | International Monetary Market Of Chicago Mercantile Exchange |
| NYCSCE: | New York Cocoa, Sugar, Coffee Exchange |
| NYCE: | New York Cotton Exchange |
| COMEX: | Commodity Exchange, New York |
| NYME: | New York Mercantile Exchange |
| KCBT: | Kansas City Board of Trade |
| NYFE: | New York Futures Exchange |

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# Currency Options

*Aug. 7*

PHILADELPHIA EXCHANGE

| Option & Underlying | Strike Price | Calls—Last Aug | Sep | Dec | Puts—Last Aug | Sep | Dec |
|---|---|---|---|---|---|---|---|
| **50,000 Australian Dollars-cents per unit.** | | | | | | | |
| ADollr | 71 | r | r | r | r | 0.11 | r |
| 76.42 | 72 | r | r | r | r | 0.16 | r |
| 76.42 | 74 | r | r | r | r | 0.58 | r |
| 76.42 | 75 | r | 1.47 | r | 0.10 | 0.90 | 2.67 |
| 76.42 | 76 | r | r | r | 0.30 | r | r |
| 76.42 | 77 | r | 0.66 | 1.09 | r | r | r |
| 76.42 | 79 | r | 0.21 | r | r | r | r |
| **31,250 British Pounds-cents per unit.** | | | | | | | |
| BPound | 150 | r | r | r | r | 0.24 | r |
| 159.88 | 152½ | 5 | r | r | r | 0.50 | 2.35 |
| 159.88 | 155 | 5.80 | r | r | r | 1.12 | r |
| 159.88 | 157½ | r | r | r | 0.32 | 1.70 | r |
| 159.88 | 160 | 1.32 | 2.40 | r | 1.20 | 2.85 | r |
| 159.88 | 162½ | 0.15 | 1.55 | r | 2.85 | 4.25 | r |
| 159.88 | 165 | 0.15 | 0.95 | r | r | r | r |
| 159.88 | 170 | r | r | 1.02 | r | r | r |
| **31,250 British Pounds-European Style.** | | | | | | | |
| 159.88 | 165 | r | r | r | 4.70 | r | r |
| **50,000 Canadian Dollars-cents per unit.** | | | | | | | |
| CDollr | 83 | r | r | 2.10 | r | r | r |
| 85.15 | 84 | r | r | r | r | 0.22 | 0.90 |
| 85.15 | 85 | r | r | r | r | 0.63 | 1.50 |
| **62,500 West German Marks-cents per unit.** | | | | | | | |
| DMark | 50 | r | r | r | 0.01 | 0.11 | r |
| 52.20 | 51 | r | r | r | 0.05 | 0.36 | 0.73 |
| 52.20 | 52 | r | r | 1.81 | 0.26 | 0.70 | 1.12 |
| 52.20 | 53 | 0.08 | 0.55 | r | 0.85 | 1.22 | 1.56 |
| 52.20 | 54 | 0.02 | 0.35 | 0.89 | r | 1.89 | 2.26 |
| 52.20 | 55 | 0.01 | 0.15 | r | r | r | r |
| 52.20 | 56 | r | 0.07 | 0.43 | r | r | r |
| 52.20 | 58 | r | r | 0.17 | r | r | r |
| **62,500 West German Marks-European Style.** | | | | | | | |
| 52.20 | 51 | r | r | 1.26 | r | r | 1.60 |
| **6,250,000 Japanese Yen-100ths of a cent per unit.** | | | | | | | |
| JYen | 68 | r | r | r | 0.01 | 0.14 | r |
| 71.37 | 69 | r | r | r | r | 0.28 | r |
| 71.37 | 70 | r | r | r | 0.07 | 0.48 | 1.00 |
| 71.37 | 71 | 0.42 | r | r | 0.26 | 0.80 | r |
| 71.37 | 72 | 0.29 | 0.93 | 1.95 | 0.65 | 1.23 | 1.95 |
| 71.37 | 73 | 0.07 | r | r | r | r | r |
| 71.37 | 74 | 0.02 | 0.38 | 1.22 | r | r | r |
| 71.37 | 76 | r | r | 0.66 | r | r | r |
| 71.37 | 77 | r | 0.08 | r | r | r | r |
| **6,250,000 Japanese Yen-European Style.** | | | | | | | |
| 71.37 | 69 | r | r | r | 0.03 | r | r |
| 71.37 | 71 | r | r | r | 0.21 | r | r |
| **62,500 Swiss Francs-cents per unit.** | | | | | | | |
| SFranc | 57 | r | 4.19 | r | r | 0.11 | r |
| 60.74 | 58 | r | r | r | r | 0.15 | 0.47 |
| 60.74 | 59 | r | r | r | r | 0.36 | 0.98 |
| 60.74 | 60 | r | 1.70 | r | 0.13 | 0.66 | r |
| 60.74 | 61 | 0.33 | r | r | 0.45 | r | 1.70 |
| 60.74 | 62 | 0.12 | 0.52 | r | 1.03 | r | r |
| 60.74 | 63 | 0.03 | 0.34 | r | r | r | r |
| 60.74 | 65 | r | 0.14 | r | r | r | r |
| **62,500 European Currency Units-cents per unit.** | | | | | | | |
| ECU | 108 | r | r | 2.95 | r | r | r |

Total call vol. 15,536 Call open int. 373,945
Total put vol. 24,133 Put open int. 427,748
r—Not traded. s—No option offered
Last is premium (purchase price).
Source: AP

# London Metals

*Aug. 7*

| | Close Bid | Close Ask | Previous Bid | Previous Ask |
|---|---|---|---|---|
| **ALUMINUM (High Grade)** Dollars per metric ton | | | | |
| Spot | 1745.00 | 1750.00 | 1760.00 | 1765.00 |
| Forward | 1753.00 | 1754.00 | 1770.00 | 1771.00 |
| **COPPER CATHODES (High Grade)** Sterling per metric ton | | | | |
| Spot | 1596.00 | 1597.00 | 1622.00 | 1624.00 |
| Forward | 1591.00 | 1592.00 | 1612.00 | 1613.00 |
| **LEAD** Sterling per metric ton | | | | |
| Spot | 431.00 | 433.00 | 429.00 | 431.00 |
| Forward | 422.00 | 423.00 | 422.00 | 423.00 |
| **NICKEL** Dollars per metric ton | | | | |
| Spot | 12750 | 12800 | 12775 | 12875 |
| Forward | 11950 | 11975 | 12000 | 12025 |
| **TIN** Dollars per metric ton | | | | |
| Spot | 9230.00 | 9250.00 | 9400.00 | 9420.00 |
| Forward | 9290.00 | 9300.00 | 9440.00 | 9450.00 |
| **ZINC (High Grade)** U.S. Dollars per metric ton | | | | |
| Spot | 1648.00 | 1650.00 | 1640.00 | 1650.00 |
| Forward | 1550.00 | 1555.00 | 1560.00 | 1570.00 |

Source: AP.

# Dividends

*Aug. 7*

| Company | | Per | Amt | Pay | Rec |
|---|---|---|---|---|---|
| **INCREASED** | | | | | |
| Olsten Corp | | Q | .07½ | 9-1 | 8-15 |
| **STOCK SPLIT** | | | | | |
| Olsten Corp — 5-for-4 | | | | | |
| **USUAL** | | | | | |
| Atlanta Gas Light | | Q | .47 | 9-1 | 8-18 |
| Commerce Bncshrs | | Q | .16 | 9-29 | 9-11 |
| Conseco Inc | | Q | .05 | 10-2 | 9-15 |
| Del Labs | | Q | .10 | 9-22 | 8-25 |
| MEM Co | | Q | .10 | 11-13 | 9-29 |
| Morrison-Knudsen | | Q | .37 | 9-18 | 8-16 |
| Savannh Foods&Ind | | Q | .13½ | 10-1 | 9-11 |
| United Cities Gas | | Q | .22 | 9-15 | 8-25 |
| Weigh-Tronix Inc | | Q | .10 | 9-15 | 8-24 |

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

# S&P 100 Index Options

*Aug. 7*

| Strike Price | Calls-Last Aug | Sep | Oct | Nov | Puts-Last Aug | Sep | Oct | Nov |
|---|---|---|---|---|---|---|---|---|
| 260 | — | — | — | — | ⅛ | — | — | — |
| 265 | — | — | — | — | ⅛ | — | — | — |
| 270 | — | — | — | — | ⅛ | — | — | — |
| 275 | — | 51 | — | — | ⅛ | ⅛ | — | — |
| 280 | 44½ | 46⅛ | — | — | ⅛ | ⅜ | 1⅛ | — |
| 285 | — | — | — | — | ⅛ | ½ | 1¼ | — |
| 290 | 34⅝ | 36 | — | — | ⅛ | ¾ | 1⅜ | 3½ |
| 295 | 30⅝ | 38 | — | — | ⅛ | 1 | 1⅞ | — |
| 300 | 25 | 26 | 28⅞ | — | ⅛ | 1⅜ | 2⅝ | 3⅝ |
| 305 | 19⅝ | 21⅝ | 24 | — | ⅜ | 1⅞ | 3⅝ | — |
| 310 | 15⅛ | 18⅛ | — | — | ⅜ | 2⅛ | 4⅝ | 6⅛ |
| 315 | 10⅝ | 14½ | 14⅝ | — | 1⅛ | 2⅝ | 5⅝ | — |
| 320 | 6⅛ | 10½ | — | 15½ | 2⅞ | 5⅛ | — | 8⅝ |
| 325 | 3⅛ | 7½ | 8⅝ | — | 4⅝ | 7⅝ | 9 | — |
| 330 | 1½ | 5 | 8⅛ | — | 7⅝ | 10 | 14⅛ | — |
| 335 | ⅜ | 3⅛ | 6 | — | 11⅜ | 16½ | — | — |
| 340 | — | 2½ | 4⅛ | 5⅛ | — | — | — | — |

Calls: total volume 136,383; total open int. 309,190
Puts: total volume 132,981; total open int. 509,571
S&P 100 index:
High 324.52 low 318.60 close 324.52 +5.86
Source: CBOE.

# Paris Commodities

*Aug. 7*

**SUGAR** French francs per metric ton

| | High | Low | Close Bid | Close Ask | Ch'ge |
|---|---|---|---|---|---|
| Oct | 2,700 | 2,670 | 2,670 | 2,680 | —43 |
| Dec | N.T. | N.T. | 2,400 | 2,415 | —40 |
| Mar | 2,365 | 2,365 | 2,330 | 2,350 | —50 |
| May | N.T. | N.T. | 2,325 | 2,335 | —45 |
| Aug | N.T. | N.T. | 2,315 | 2,325 | —50 |
| Oct | N.T. | N.T. | 2,295 | 2,300 | —30 |

Est. vol: 85 lots of 50 tons. Prev. actual sales: 237 lots. Open interest: 14,799.

**COCOA** French francs per 100 kg

| | High | Low | Close Bid | Close Ask | Ch'ge |
|---|---|---|---|---|---|
| Sep | N.T. | N.T. | 930 | — | +10 |
| Dec | N.T. | N.T. | 965 | — | +10 |
| Mar | N.T. | N.T. | 975 | — | +10 |
| May | N.T. | N.T. | 975 | — | +10 |
| Jly | N.T. | N.T. | 975 | — | +10 |
| Sep | N.T. | N.T. | 975 | — | +10 |
| Dec | N.T. | N.T. | 975 | — | +10 |

Est. vol: 0 lots of 10 tons. Prev. actual sales: 0 lots. Open position: 4.

**COFFEE** French francs per 100 kg

| | High | Low | Close Bid | Close Ask | Ch'ge |
|---|---|---|---|---|---|
| Sep | N.T. | N.T. | 795 | — | +5 |
| Nov | N.T. | N.T. | 775 | 795 | Unch. |
| Jan | N.T. | N.T. | 780 | 800 | —12 |
| Mar | N.T. | N.T. | 797 | 820 | —5 |
| May | N.T. | N.T. | 805 | — | —5 |
| Jly | N.T. | N.T. | 809 | — | —6 |
| Sep | N.T. | N.T. | 815 | — | —7 |

Est. vol: 0 lots of 5 tons. Prev. actual sales: 12 lots. Open position: 166.
Source: Bourse de Commerce.

# DM Futures Options

*W. German Mark-125,000 marks, cents per mark*

*Aug. 7*

| Strike Price | Calls-Settle Sep | Oct | Dec | Puts-Settle Sep | Oct | Dec |
|---|---|---|---|---|---|---|
| 50 | 2.39 | — | 2.90 | 0.15 | 0.23 | 0.51 |
| 51 | 1.57 | — | 2.11 | 0.31 | 0.44 | 0.79 |
| 52 | 0.90 | 1.25 | 1.63 | 0.64 | 0.79 | 1.18 |
| 53 | 0.46 | 0.77 | 1.15 | 1.20 | 1.29 | 1.60 |
| 54 | 0.21 | 0.44 | 0.81 | 1.94 | 1.96 | 2.21 |
| 55 | 0.09 | 0.24 | 0.53 | 2.81 | — | 3.01 |

Est. total vol. 13,039;
Calls: Fri. volume: 9,594; open int.: 89,982
Puts: Fri. volume: 7,410; open int.: 72,052
Source: CME.

# U.S. Treasuries

*Aug. 7*

| | Discount Bid | Offer | Yield | Prev. Yield |
|---|---|---|---|---|
| 3-month bill | 7.93 | 7.95 | 8.20 | 8.10 |
| 6-month bill | 7.73 | 7.75 | 8.17 | 8.07 |
| 1-year bill | 7.57 | 7.59 | 8.15 | 8.02 |

| | Bid | Offer | Yield | Prev. Yield |
|---|---|---|---|---|
| 30-yr. bond | 108 27/32 | 108 29/32 | 8.08 | 8.06 |

Source: Salomon Brothers.

# London Commodities

*Aug. 7*

**SUGAR** U.S. Dollars per metric ton

| | Close Bid | Close Ask | High | Low | Previous Bid | Previous Ask |
|---|---|---|---|---|---|---|
| Oct | 309.40 | 309.80 | 316.80 | 309.40 | 314.20 | 314.40 |
| Dec | 295.00 | 302.00 | 303.00 | 303.00 | 298.60 | 303.00 |
| Mar | 290.40 | 291.00 | 295.40 | 290.60 | 293.40 | 293.80 |
| May | 285.60 | 287.00 | 290.00 | 290.00 | 288.40 | 289.00 |
| Aug | 279.40 | 280.80 | N.T. | N.T. | 282.20 | 284.00 |
| Oct | 274.00 | 276.00 | 277.00 | 277.00 | 275.00 | 277.00 |
| Dec | 267.00 | 276.00 | N.T. | N.T. | 265.00 | 274.00 |

Volume: 3,818 lots of 50 tons.

**COCOA** Sterling per metric ton

| | Close Bid | Close Ask | High | Low | Previous Bid | Previous Ask |
|---|---|---|---|---|---|---|
| Sep | 876 | 877 | 900 | 870 | 890 | 891 |
| Dec | 930 | 932 | 953 | 925 | 946 | 947 |
| Mar | 896 | 900 | 911 | 889 | 906 | 907 |
| May | 902 | 908 | 921 | 900 | 915 | 916 |
| Jul | 915 | 920 | 924 | 920 | 928 | 922 |
| Sep | 926 | 935 | 955 | 933 | 942 | 946 |
| Dec | 950 | 960 | N.T. | N.T. | 968 | 971 |

Volume: 7,579 lots of 10 tons.

**GASOIL** U.S. dollars per metric ton

| | Close Bid | Close Ask | High | Low | Previous Bid | Previous Ask |
|---|---|---|---|---|---|---|
| Aug | 149.00 | 149.25 | 149.75 | 147.25 | 146.50 | 147.00 |
| Sep | 145.00 | 145.25 | 145.75 | 144.75 | 145.00 | 145.25 |
| Oct | 145.50 | 145.50 | 146.50 | 145.00 | 145.75 | 146.00 |
| Nov | 146.25 | 146.50 | 147.75 | 146.00 | 146.75 | 147.25 |
| Dec | 147.25 | 147.50 | 147.50 | 147.50 | 147.75 | 148.00 |
| Jan | 145.00 | 145.50 | 145.50 | 145.50 | 145.50 | 146.00 |
| Feb | 142.50 | 143.00 | 143.00 | 143.00 | 143.50 | 143.75 |
| Mar | 138.50 | 143.00 | N.T. | N.T. | 139.00 | 144.00 |
| Apr | 138.50 | 142.50 | N.T. | N.T. | 139.00 | 143.00 |

Volume: 4,157 lots of 100 tons.
Sources: Reuters and London Petroleum Exchange.

# Toyota Dismisses 3,600 in Durban

*The Associated Press*

JOHANNESBURG — Toyota South Africa Ltd. fired 3,600 workers for refusing to end a wildcat strike at its Durban plant Monday, but said they will be given an opportunity to get their jobs back.

Toyota had obtained an Industrial Court order ruling the strike illegal last week, but the National Union of Metalworkers of South Africa, which represents most of the strikers, had failed to get them back to work. NUMSA offices in three cities were called for a comment, but they said all officials were in a meeting discussing a statement.

Plants of Volkswagen of South Africa and the South African Motor Corp., or Samcor, which manufacturers Ford and Mazda vehicles, are also affected by the strikes, which began last Tuesday.

# Spot Commodities

*Aug. 7*

| Commodity | Today | Prev. |
|---|---|---|
| Aluminum, lb | 0.805 | 0.815 |
| Coffee, lb | 0.79 | 0.79 |
| Copper electrolytic, lb | 1.253 | 1.253 |
| Iron FOB, ton | 213.00 | 213.00 |
| Lead, lb | 0.40 | 0.405 |
| Printcloth, yd | 0.50 | 0.50 |
| Silver, troy oz | 5.165 | 5.23 |
| Steel (billets), ton | 473.00 | 473.00 |
| Steel (scrap), ton | 112.17 | 110.00 |
| Tin, lb | 5.4744 | 5.5517 |
| Zinc, lb | 0.80 | 0.80 |

Source: AP.

# *Chargeurs's Stock Up on Speculation Of Club Med Bid*

*Reuters*

PARIS — The price of Chargeurs SA stock rose 19 francs Monday because of heavy trading that has rekindled speculation that Club Méditerranée SA, the French leisure company, may be building a stake in the textile, transport and tourism group.

Chargeurs's stock closed at 1,174 francs ($184.88) on the Paris Bourse. At midday, the shares were being quoted at 1,185 francs.

In the last 10 trading days about 10 percent of Chargeurs's 6.5 million shares have been sold, including two blocks of about 3.5 percent each which, dealers said, may have involved two buyers.

A Chargeurs spokesman said that of the company's large shareholders, only Gaz et Eaux, with a 9.9 percent stake, would seem to be a potential seller. All three companies declined further comment.

In July, Chargeurs said that its airline unit, Union de Transports Aériens, was discussing a joint charter operation venture with Club Med. Heavy trading in Chargeurs's shares at that time led to speculation that Club Med might be building a stake.

INTERNATIONAL STOCKS

## Deng Rumors Unhealthy For Hong Kong Market

By DIANE STORMONT
*Reuters*

HONG KONG — Rumors that China's top leader, Deng Xiaoping, was ailing pressured the Hong Kong stock market on Friday and Monday, and analysts said further declines were possible this week. The Hang Seng index fell 15.3 points, to 2,563.77, on Monday, following a 56-point drop on Friday.

"We are going to get a market consolidation or even a correction irrespective of what transpires," said John Mulcahy, head of research at the Peregrine brokerage.

"Until they wheel him out on TV puffing on a cigarette it's going to be a nagging worry," said a broker of Mr. Deng, who is a chain smoker.

Before the rumors swept the local bourse on Friday, a two-and-one-half-week rally had pushed the Hang Seng up 154 points, to a 2,650 peak, on the back of new confidence in the property market, anticipation of lower interest rates and strong overseas markets.

**The rumors about Deng 'injected a dose of reality' into the stock market.**

After Thursday's gains, when the index soared 51.75 points to 2,634.58, breaking through the psychological barrier of 2,600 with ease, brokers suggested that 2,750 or even 2,800 were reasonable near-term targets.

But Friday's drop, triggered by a round of panic selling that sent the Hang Seng spinning through 100 points from a high of 2,650 to a 2,550 low, caused a revaluation. Mr. Mulcahy now predicts the index will find a base around 2,450 to 2,500.

Richardson Wong of Sun Hung Kai Securities said he sees a floor of 2,550 and the 2,650 to 2,700 gap as the upper barrier.

Despite the Friday slump, the Hang Seng rose 52.32 for all of last week.

"I don't think the downside next week is very great, perhaps a couple of hundred points," said Phillip Chan, manager of equities research at Mansion House Securities. "The rumors injected a dose of reality."

Late Friday, a spokesman for the New China News Agency denied the rumors about an ailing Mr. Deng, describing them as a fabrication. The rumors, coming two months to the day after the Tiananmen Square massacre, served as a reminder of how vulnerable Hong Kong is to crises across the border.

INVESTORS, IT SEEMED, were already beginning to forget how badly the market was affected by the panic that gripped Hong Kong. That fear sent the Hang Seng plunging almost 22 percent, to 2,093.61, on June 5.

Turning away from that grim prospect, brokers said the prospect of a correction was positive.

"The downturn on Friday followed a point at which all danger signals were flagging danger," said DMT Research. The market has risen "with only a minor setback" since mid-June, it added, "so a further consolidation at this stage is not undeserved."

"Confidence in Hong Kong is not that fragile," said Mr. Mulcahy, who noted the recent rally went beyond expectations of 2,600 — over 500 points above the lows of June 5.

The factors behind that recovery are still in place.

The willingness by major corporate investors to put billions of dollars into two projects that will not yield profits until after 1997 — a major property sale and investment in a new cable television franchise — plus strong demand for middle-sector apartments, underpinned sentiment, brokers said.

Advances on major overseas markets, particularly Wall Street and the U.S. bond market, are similarly bullish.

"Many are realizing the substantial correction in the property market had been exaggerated in property stocks," said a dealer with a U.S. securities house.

"In Hong Kong it's always boom or bust," said Mr. Mulcahy. "There is no gray."

## Oil Falls On News Of Output

### U.S. Price Ends Below $18 Mark

*Reuters*

NEW YORK — U.S. crude oil futures fell below $18 a barrel on Monday, pressured by a report that OPEC production rose to 21.8 million barrels a day in July, significantly above the 19.5 million-barrel cartel limit.

The September crude contract fell to $17.90 a barrel on the New York Mercantile Exchange, down 13 cents from Friday.

Traders said the contract was pressured by a report in Petroleum Intelligence Weekly that oil production by the Organization of Petroleum Exporting Countries rose 170,000 barrels a day in July, to 21.835 million. That level was almost 3 million barrels a day higher than in July 1988.

The respected oil industry journal also said the production gains showed no sign of reversal in August and that Kuwait and the United Arab Emirates could raise output from levels that are already above their individual cartel quotas.

In fact, PIW said, Kuwait and the United Arab Emirates trimmed output in July, although their reductions were far short of what was decided at the OPEC meeting in June. At that time, the cartel set the 19.5 million-barrel cartel limit for the second half of this year.

The magazine said Kuwait's output fell 200,000 barrels a day, to 1.7 million, compared with its quota of 1.093 million and the 1.35 million to which it pledged to limit production. Kuwait rejected the cartel's quota for it in June but said it would reduce output to help defend prices.

United Arab Emirates output fell fractionally last month, to 1.865 million barrels, compared with a quota of 1.041 million, PIW said.

Two other recent reports indicated OPEC produced more oil in July than its quotas allowed. A survey by the Reuters news agency assessed production at 21.5 million barrels a day, up 200,000 barrels from June, while the International Energy Agency last week said output was 21.3 million barrels, unchanged from June.

Industry observers said prices would be even lower than they are now without the tension caused by the Lebanese hostage crisis and hurricanes that disrupted production in the Gulf of Mexico.

## C&A Cloaked in Local Garb

### Retailer Shuns Bids to Label It A Multinational

By Ronald van de Krol
*Special to the Herald Tribune*

AMSTERDAM — When shoppers in the Dutch capital go to the big C&A clothing store across from the Amsterdam bourse, they do so in the belief that they are entering the "flagship store" of a typically Dutch retailer.

Just over the border in West Germany, shoppers in Düsseldorf regard the C&A emporium near the famed Königsallee shopping boulevard as a distinctly and unmistakably German clothing business. Similarly, across the English Channel, visitors to the imposing C&A building on London's Oxford Street think that they, too, are shopping at a national institution.

C&A, a publicity-shy, multi-billion-dollar global operation run by the fifth generation of the Brenninkmeijer family of the Netherlands, has proved to have an uncanny ability to capture a commanding position on shopping streets from Belgium to Brazil without ever appearing to be a foreign retailer.

Even more surprisingly, the company insists that it has been able to expand around the world without ever becoming a "multinational corporation."

The company's success is based partly on its unique family structure that sets up each national organization as a partnership under the independent management of a resident member of the Brenninkmeijer family. The concern's founders, the Brenninkmeijer brothers Clemens and August — hence the name C&A — were German emigrants who came to the Netherlands in the mid-1800s.

This setup, which C&A says is different from that of a true multinational, enables the company to expand worldwide using virtually the same retail formula of good quality clothing at reasonable prices. Yet at the same time, the arrangement also injects a strong dose of local management into the stores, equipping them to cater to local tastes.

Controversy over whether or not the company is a multinational has plagued it for years. In the early 1980s, unions from a number of European countries tried to have C&A designated as a multinational as part of a wider bid to get it to publish figures on its sales and the number of people it employs.

A C&A store in the Paris area. Shoppers often think that they are at domestic-owned outlets when they visit the Dutch-based retailer, set up as a series of national organizations.

That attempt failed, but now, with the approach of 1992 and the single European market, union officials have a faint glimmer of hope that proposals for a "social charter" of European workers' rights may eventually give them enough leverage to force C&A to divulge some of its secrets and figures.

**C&A is a series of interlocking national partnerships that claim they are not subject to multinational guidelines.**

These hopes come at a time when C&A is indicating that it may start opening up to the outside world, if only to combat what it considers to be falsehoods and misrepresentations issued by union critics.

"We have discovered that facets of the company have suffered from one-sided information," said Paul Remarque, the head of public relations for C&A Nederland, the Dutch arm of the company. "Perhaps we are ourselves partly to blame, and this is something we have to work on, but only on an ad hoc basis and depending on the issue at hand."

In a break with tradition this summer, Jan Swinkels, the legal director of Intercena, the Amsterdam-based advisory office for the various C&A national organizations, granted a rare interview to the Dutch financial daily Het Financieele Dagblad. He gave the interview to counter criticism of the company contained in a book published by a Dutch-based research group that focuses on multinationals.

Mr. Remarque made clear, however, that despite C&A's wish to combat negative publicity, it would not go as far as publishing revenue figures or divulging any other information that it considers to be in the private domain of the Brenninkmeijer family. Nor would a policy of openness lead the company to consider going public, he added.

Although C&A's size remains a matter of speculation, its annual sales could easily run into the

See C&A, Page 12

## N.Y. Stocks Soar As Transports Lead Advance

*Compiled by Our Staff From Dispatches*

NEW YORK — The U.S. stock market extended its rally on Monday, boosted by a strengthening economic outlook and sharp gains in the transportation and technology sectors.

On the New York Stock Exchange, the Dow Jones industrial average soared 41.54 points, to 2,694.99. It fell 8.16 points Friday but tacked on more than 18 points last week.

The gain put the blue-chip index just 27.43 points below its best-ever close of 2,722.42, set Aug. 25, 1987.

Broader-market averages did set all-time closing highs on Monday. The New York Stock Exchange index rose 2.55, to 194.19. Standard & Poor's 500-stock index rose 5.49, to 349.41. The price of an average share gained 49 cents.

"We're in a bull market, and everyone wants to play," said David Kalman, a technical analyst with W.H. Newbold's Son & Co. in Philadelphia. "You don't stop a locomotive that's going full steam."

Other stock-market measures also rose. The National Association of Securities Dealers composite index for the over-the-counter market gained 4.31, to 461.73. At the American Stock Exchange, the index closed at 379.18, up 3.08.

UAL Corp.'s announcement that it had received a takeover bid spurred the Dow transportation index to a record 94.06-point gain, bringing the 20-stock gauge to 1,344.06. That surpassed the previous gain, a 46.07-point advance on Oct. 21, 1987, which was set in the bounce back from the Black Monday stock collapse.

The third Dow stock average, the interest-sensitive gauge of 15 utility issues, rose 3.34 points, to 221.52.

Bond prices, meanwhile, continued under pressure, after market sentiment turned negative on Friday. Bonds fell, while stocks gained strength, from the U.S. July employment data, which showed the jobless rate falling to 5.2 percent from 5.3 percent and a sharp upward revision of June nonfarm payrolls.

The Treasury bond market is also bracing for $29.5 billion of new securities in the quarterly government financing operation this week.

The 30-year Treasury bond managed to overcome early weakness and close unchanged at 108 28/32, where it yielded 8.08 percent. But

See STOCKS, Page 8

## Trio Faces SEC Charges For Trading

*Compiled by Our Staff From Dispatches*

NEW YORK — Two former employees of Merrill Lynch & Co. and a lawyer were charged Monday by the Securities & Exchange Commission with making illegal trades linked to Dennis B. Levine, who was sentenced to two years in prison in 1987 as part of Wall Street's longest-running insider trading scandal.

The SEC said its charges were based on information from Mr. Levine, 36, the former merger specialist at Drexel Burnham Lambert Inc. He was paroled last year.

Those charged in the SEC's civil lawsuit were Brian S. Campbell, 32, of New York, who worked at Merrill Lynch from 1982 until February 1985, and then at Smith Barney, Harris Upham & Co. until June 1987; Kevin Barry, 33, a former New York City corporate lawyer now practicing in upstate New York; and Carlos Zubillaga, 39, a Venezuelan who worked in Merrill Lynch's New York and Caracas offices before resigning in April 1986.

Also named was BCM Management Inc., a real estate investment firm formed by Mr. Campbell and Mr. Barry in 1984.

Mr. Levine provided information in 1986 that led to the convictions of Ivan F. Boesky, one of the best-known U.S. arbitragers, and Martin A. Siegel, one of the most respected architects of corporate anti-takeover defenses.

The SEC alleged that, in this case, Mr. Levine illegally bought securities or options to buy securities in overseas accounts at Bank Leu International Ltd., a Bahamian branch of Bank Leu AG of Switzerland, and disclosed insider information to his account executive at Bank Leu, Bernhard Meier.

Mr. Meier, the SEC alleged, disclosed this information to the defendants from about March 1984 through June 1985, and that they, friends and family members profited by $452,175 from trading on this information.

*(AP, Reuters)*

## Currency Rates

### Cross Rates

Aug. 7

| | $ | £ | D.M. | F.F. | I.L. | Gldr. | B.F. | S.F. | Yen |
|---|---|---|---|---|---|---|---|---|---|
| Amsterdam | 2.158 | 3.4615 | 1.1278 | 0.3332 | 0.1569 * | — | 5.305 * | 1.3087 | 1.542 * |
| Brussels(a) | 40.8025 | 64.24 | 20.9395 | 6.1855 | 2.9111 * | 18.5675 | — | 24.2865 | 0.2863 |
| Frankfurt | 1.9134 | 3.069 | — | 0.2954 | 0.1391 * | 0.8867 | 4.775 * | 1.16 | 1.3675 * |
| London (b) | 1.6065 | — | 3.0613 | 10.3613 | 2,201.50 | 3.4523 | 64.065 | 2.63 | 224.025 |
| Milan | 1,376.25 | 2,207.75 | 719.25 | 212.54 | — | 637.90 | 34.359 | 834.20 | 9.835 |
| New York(c) | — | 1.5995 b | 1.9165 | 6.4845 | 1,378.50 | 2.1485 | 40.13 | 1.6465 | 140.10 |
| Paris | 6.4055 | 10.386 | 3.3849 | — | 0.4707 * | 3.0015 | 0.1617 | 3.9261 | 4.6255 * |
| Tokyo | 139.60 | 224.49 | 73.28 | 21.65 | 0.102 | 64.96 | 3.5014 | 85.10 | — |
| Zurich | 1.6435 | 2.6299 | 0.8615 | 0.2545 | 0.1197 * | 0.7636 | 4.1158 * | — | 1.1772 * |
| 1 ECU | 1.0844 | 0.6754 | 2.074 | 7.0205 | 1,491.72 | 2.339 | 43.4282 | 1.7877 | 151.764 |
| 1 SDR | 1.2668 | 0.7889 | 2.4239 | 8.2031 | 1,731.07 | 2.7337 | 50.7508 | 2.0896 | 176.844 |

Closings in London, Tokyo and Zurich. fixings in other centers. New York closing rates.
a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.

### Other Dollar Values

| Currency | Per $ | Currency | Per $ | Currency | Per $ | Currency | Per $ |
|---|---|---|---|---|---|---|---|
| Argen. austral | 610.00 | Fin. markka | 4.3035 | Mex. peso | 2532.00 | S. Afr. rand | 2.696 |
| Austral. $ | 1.3105 | Greek drac. | 165.32 | N. Zealand $ | 1.67 | Soviet ruble* | 0.6264 |
| Austr. schil. | 13.45 | Hong Kong $ | 7.805 | Nig. naira* | 5.2995 | Span. peseta | 119.95 |
| Brazil cruz. | 2.2424 | Indian rupee | 16.51 | Norw. krone | 6.9985 | Swed. krona | 6.5105 |
| Canadian $ | 1.177 | Indo. rupiah | 1761.00 | Phil. peso | 20.78 | Taiwan $ | 25.44 |
| Chinese yuan* | 3.7221 | Irish £ | 0.7147 | Port. escudo | 159.50 | Thai baht | 25.58 |
| Danish krone | 7.4335 | Israeli shek. | 1.94 | Saudi riyal | 3.749 | Turkish lira | 2131.00 |
| Egypt. pound | 2.5632 | Kuwaiti dinar | 0.2915 | Sing. $ | 1.9445 | UAE dirham | 3.6701 |
| | | Malay. ring. | 2.661 | S. Kor. won | 659.81 | Venez. boliv. | 37.08 |

New York rates unless marked * (local rate.)

### Forward Rates

| Currency | 30-day | 60-day | 90-day | Currency | 30-day | 60-day | 90-day |
|---|---|---|---|---|---|---|---|
| Pound Sterling | 1.5948 | 1.5887 | 1.5822 | Canadian dollar | 1.1807 | 1.1842 | 1.1874 |
| Japanese yen | 139.49 | 139.13 | 138.76 | Swiss franc | 1.6454 | 1.6433 | 1.6412 |
| Deutsche mark | 1.9102 | 1.9074 | 1.9050 | | | | |

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

## Interest Rates

### Eurocurrency Deposits

Aug. 7

| | Dollar | D-Mark | Swiss Franc | Sterling | French Franc | Yen | ECU | SDR |
|---|---|---|---|---|---|---|---|---|
| 1 month | 8¾-8⅞ | 6⅞-7 | 7¼-7⅜ | 13 13/16-13 15/16 | 8 15/16-9 1/16 | 5 3/16-5 5/16 | 9¼-9⅜ | 8⅛ |
| 2 months | 8 11/16-8 13/16 | 6⅞-7 | 7⅛-7¼ | 13 13/16-13 15/16 | 8 15/16-9 1/16 | 5 3/16-5 5/16 | 9¼-9⅜ | 8⅛ |
| 3 months | 8⅝-8¾ | 6⅞-7 | 7 1/16-7 3/16 | 13 13/16-13 15/16 | 8 15/16-9 1/16 | 5¼-5⅜ | 9 3/16-9 5/16 | 8 |
| 6 months | 8½-8⅝ | 6⅞-7 | 6 15/16-7 1/16 | 13 13/16-13 15/16 | 8 15/16-9 1/16 | 5 5/16-5 7/16 | 9 3/16-9 5/16 | 8 |
| 1 year | 8 5/16-8 7/16 | 6 15/16-7 1/16 | 6 13/16-6 15/16 | 13 11/16-13 13/16 | 8 15/16-9 1/16 | 5 5/16-5 7/16 | 9¼-9⅜ | 8 |

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

### Key Money Rates

Aug. 7

| | Close | Prev. |
|---|---|---|
| **United States** | | |
| Discount rate | 7.00 | 7.00 |
| Prime rate | 10½ | 10½ |
| Federal funds | 8⅞ | 8¾ |
| Com. paper 90-179 days | 7.61 | 7.44 |
| 3-month Treasury bills | 7.93 | 7.84 |
| 6-month Treasury bills | 7.72 | 7.65 |
| 3-month CD's | 8.25 | 8.10 |
| 6-month CD's | 8.25 | 8.00 |
| **Japan** | | |
| Discount rate | 3¼ | 3¼ |
| Call money | 5 5/32 | 5⅛ |
| 1-month interbank | 5 9/32 | 5 9/32 |
| 3-month interbank | 5 9/32 | 5¼ |
| **West Germany** | | |
| Discount rate | 4½ | 4½ |
| Lombard rate | 7.00 | 7.00 |
| Overnight rate | 6.95 | 6.95 |
| 1-month interbank | 6.95 | 6.95 |
| 3-month interbank | 6.95 | 6.95 |
| 6-month interbank | 6.95 | 6.95 |
| **Britain** | | |
| Bank base rate | 14.00 | 14.00 |
| Call money | 13⅞ | 13 15/16 |
| 1-month interbank | 13⅞ | 13⅞ |
| 3-month interbank | 13 13/16 | 13 13/16 |
| **France** | | |
| Intervention rate | 8¾ | 8¾ |
| Call money | 9 1/16 | 9 3/16 |
| 1-month interbank | 9 | 8 15/16 |
| 3-month interbank | 9 | 8 13/16 |
| 6-month interbank | 8 15/16 | 8 13/16 |

Sources: Reuters, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

### U.S. Money Market Funds

Aug. 7

Merrill Lynch Ready Assets
30-day average yield: 8.73
Telerate Interest Rate Index: 8.474
Source: Merrill Lynch, Telerate.

### Asian Dollar Deposits

Aug. 7

| | |
|---|---|
| 1 month | 8¾ - 8⅞ |
| 2 months | 8⅝ - 8¾ |
| 3 months | 8 9/16 - 8 11/16 |
| 6 months | 8 7/16 - 8 9/16 |
| 1 year | 8⅜ - 8½ |

Source: Reuters.

## Gold

Aug. 7

| | A.M. | P.M. | Ch'ge |
|---|---|---|---|
| Hong Kong | 368.45 | 367.75 | —4.20 |
| Luxembourg | 367.80 | — | —4.20 |
| Paris (12.5 kilo) | 368.09 | 368.41 | —4.56 |
| Zurich | 367.85 | 366.00 | —5.15 |
| London | 367.25 | 366.10 | —4.40 |
| New York | — | 365.50 | —1.95 |

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

## False Prophets Luring Faithful U.S. Investors

*The Associated Press*

WASHINGTON — Con artists using investment schemes with religious overtones have bilked Americans of more than $450 million in the last five years, according to a study by state securities regulators.

The national survey, a joint effort of the North American Securities Administrators Association and the Council of Better Business Bureaus, detailed investigations into such schemes in 15 states.

In releasing the report Monday, officials cited the controversy surrounding the Washington-area lawyer Thomas L. Root, who was pulled from the Atlantic Ocean last month with a gunshot wound after a mystery-filled plane ride and crash.

Mr. Root has not been charged with any wrongdoing. Officials said he represented investors in Sonrise Management Inc., a firm that raised money for religiously oriented radio station licenses. Sonrise is under investigation by North Carolina securities officials.

"Beware of the growing number of investment con artists who are out to fleece the flocks of the faithful," said John C. Baldwin, president of the securities association and director of the Utah Division of Securities. He added that "religiously oriented swindles are one of today's hottest tickets for investment con artists."

The survey said the increase in "false prophets of investment" had caused "a surge of state-level complaints from consumers about fraud and abuse by self-proclaimed 'born again' financial planners, by con artists claiming to be endorsed by local and national church officials, and givers of 'divinely inspired' investment advice about coins, precious metals, real estate and oil and gas well programs."

The alleged scams outlined by the report, "Preying on the Faithful: The False Prophets of the Investment World," included:

- A former preacher and Sunday school teacher, now serving four years in prison, who conned more than 600 investors in 20 states "who believed they were dealing with a man blessed by God with extraordinary business abilities."
- The former treasurer of a large Alabama church, also now imprisoned, who traded on his position to take $18 million from investors who were promised returns of up to 30 percent a month.
- Swindlers who bilked 10,000 investors in Utah out of $215 million by falsely claiming connections to the Mormon hierarchy.
- An oil and gas drilling company ordered by Massachusetts and Missouri authorities to stop selling stock. Investors were told the concern would use Old Testament prophecy to decide where to drill in modern-day Israel.

The survey noted that scam artists cite Biblical predictions of disaster to woo investors for phony gold or rare coin schemes.

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## Bunge & Born: Peronist Menem's Capitalist Ally

By Shirley Christian
*New York Times Service*

BUENOS AIRES — A prominent Peronist in the government of President Carlos Saúl Menem walked into the downtown headquarters of Bunge & Born Corp. a few months ago to keep a lunch appointment.

He looked around the discreet marble lobby with its touches of old wood and polished brass and, he later said, wondered what his father would have thought of him for seeking peace with "the capitalist beast."

Most Argentines have been similarly surprised by the alliance that their new president, in an effort to rescue Argentina's collapsed economy, has forged with the diversified grain and industrial company, founded in 1884 by Belgian immigrants, which has 11 subsidiaries in Argentina and affiliates in 36 countries.

There was a time when the followers of the political movement created more than four decades ago by Juan Perón thought primarily of Bunge & Born as they marched through the streets singing about combating capitalism.

Two Born brothers, grandsons of a company founder, were abducted in 1974 by the Montoneros, a guerrilla group of leftist Peronists, in a spectacular political kidnapping. A ransom of $60 million was paid to free the brothers.

While most Argentine businesses have lined up behind Mr. Menem since his election in May, the partnership with Bunge & Born is the new government's main link with the business world.

The president's economic policy is popularly known as Plan BB, for its Bunge & Born authors, and the company has supplied the leading members of his economic team.

Miguel Roig, a retired executive vice president of Bunge & Born, was Mr. Menem's first minister of economy. When he died, reportedly of a heart attack, on July 14 he was replaced as minister by the man who had succeeded him at Bunge & Born, Nestor Rapanelli.

Another Bunge & Born executive, Orlando Ferreres, is the secretary of economic coordination, in effect Mr. Rapanelli's deputy.

The loss of Mr. Roig hit hard, because he had been working on winning business support for a price freeze. Within hours of his death, several cabinet members and leading industrialists gathered at Casa Rosada, the presidential palace, to discuss possible successors. Mr. Menem turned for help to Jorge Born, president of the company and one of the brothers kidnapped in 1974.

Mr. Menem put out word to find Mr. Born, who has lived in São Paulo since the kidnapping. He was tracked down at a friend's ranch in Argentina and immediately flew to Buenos Aires, where he met with the president that night.

Some people say Mr. Menem wanted Mr. Born himself to become minister. Others say Mr. Menem sought his help to persuade Mr. Rapanelli, who is 60 and was educated as an engineer, to take the job.

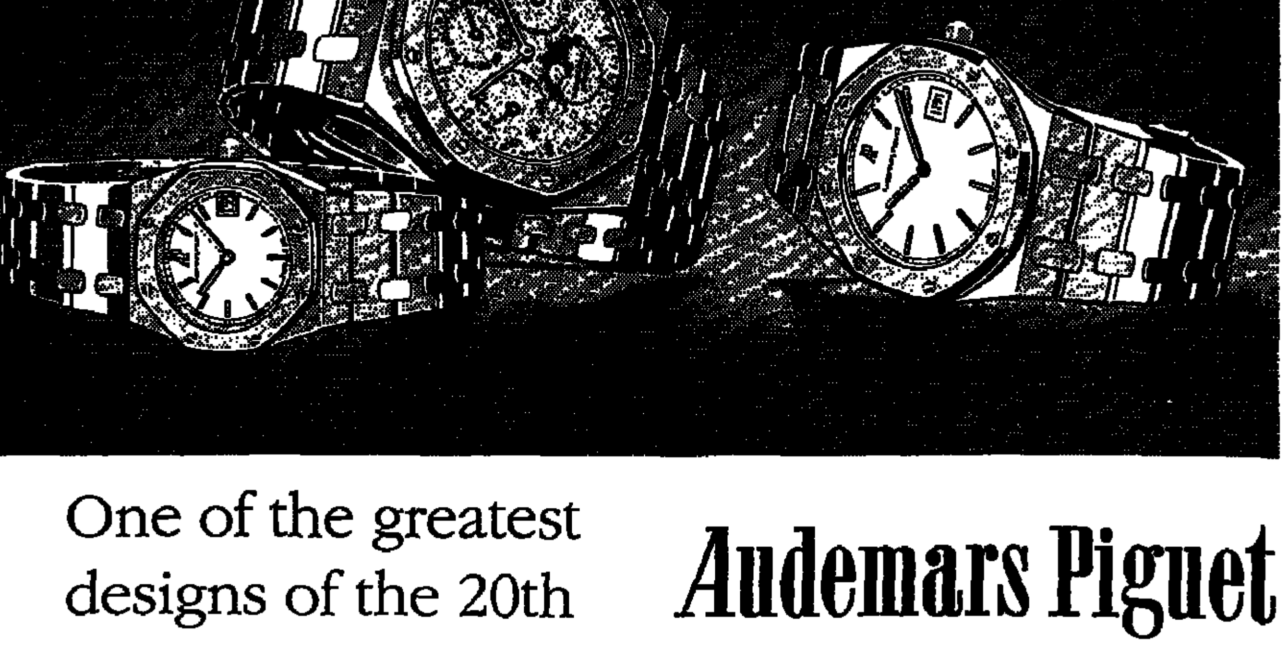
Mr. Born and his company had kept a low profile in Argentina until the formation of the Menem government. He said recently that Bunge & Born had decided to help the government because Argentina was threatened with "the probable definitive collapse of its social, political and economic scaffolding."

Guillermo Antonio Carracedo, who succeeded Mr. Rapanelli as Bunge & Born's executive vice president, said there was no explicit accord by business leaders to support the government. But "the fact that, indirectly to some degree, we are behind the economic plan has given certain assurances to business people," he said.

Argentina has long been troubled by high inflation, large fiscal deficits and the control by

See ARGENTINA, Page 12

The Royal Oak.



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# Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

*Via The Associated Press*

**The Market Diary will be found today on Page 8.**

(Continued on next page)

## NYSE Highs-Lows

NEW HIGHS 288

AMR Corp
Alcan Pf
Amoco
AtlRch 280pr
BallCp
BkNewEngcd
CIGNA Cp
Chemp Int
Clark Eq
ConsEdSn s
CoosrTire
DaytPL pfD
DukeEn
DresserInd
DukeP pfM
EmpDist El
Excptnl InS
FncNews
FtChyBcp pf
Gibbell
GnMotr E
Hannaford s
HomeDepot s
ITW
JeffPil
Limited
LIL Cp pfX
MarlenLab
Melville s
MilenAlna
NCH Corp
NatCity
NichAstat
OhEd $4pf
OrionCp pf
PerkElmer
PiedmtNG
viPSNH 375p
PostSciPL
Ransbl n
SPX Corp
SearsTams
SmithCorona n
Sowtn
StanleyWk
TW Svcs
TampaGold
ToolsRail
TycoLabs
UnCorrp
UnitTaxId pf
WarnrComm
AetnaLife
AlaxAlax
AmcastA
BCE Inc s
Bondag
BrockInc
BSX Co
Chubb
Clorox
Comrail
CompInes
DaytPL pfE
Dist Edison
Dupont
Edwards
Enron
FMC Co
FstChi Cp
FstFinFd
GenilCap
GnPacif
Hanson
HouseInt
IndianaEnrgy
KansasInc
LincNatl
LIL Cp pfU
MarshMcl
MerillLyn
Monarchs
NCNB Cp
NatMedEn
NICOR Inc
OlinCo
OryxEnrgy n
PetrolRes
PlacerDome s
viPSNH 3Bdp
QuestVpiCap
Rockwel
SchlmbrgrVal
Sealpd pf
SquareD
SunTrust
Tandem
TexasEqOil
TWA pf
UAL Corp
UnitIllum
UnvrsHthRT
WeststarEl
Ahmanson
Alcoa
Alcoa Co Inc
BakerHugh
BellSouth
BroadInc pf
CalFed
CinG 9.28pf
CornPayc wt
DalPw 48pf
EsunaTondSF
DeereCo
DoverCp s
Duke Pow
1838BondFd
Enron ev pfJ
FstBHmeLn pf
FstChicago p
FlightSfty
GenElct
GermanyFd
HelmrPayne
ITT Cp pfN
IntMultHds
KimbClark
LoctiteCo
Lowes
Mattel Inc
MetEd pfI
Motorola
NCR Cp
NewsCp pf
NortonCo
OrionCap
PennzyUC
Phelps Dod
PopeTalb
viPSNH 3Bdp
QuestVpiFnd
Rockinl pfB
Schlumbrg
SherwinWm
Smucker
StdFdBk
Sysco
Tandy
viTotalStp
TmCdaPipe s
UGI Corp
Unitlllum pr
Upjohn
Westvaco
AirProd
AmBrnd
AMRJulyHd
BakrHugh pf
BlueChip
CBS
CmprTech
Clfico ed pf
Conseco pf
CooperInd s
DeltaAirl
DowJones
DukeP pfF
EmrsnRad
EthylCp
Fedmo
FtChyBcp
GATX Cp pf
GMotr 375pf
GtAtlPac
HelvetiaFd
IdahoPwr
IntlPower
KimbrlyCl
LilCp
Manville pf
Medtronic
MidwayAir
NBD s
NelCech
Nlagara Share
Ohio Edison
OrionCp pf
PoPL Mdpf
PhilEl 12Bpf
PortGenCp
PSvcEG
RalstonCp
RoyalDutch s
ScottPapr
Shoneys
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viTotalStp pf
TriCont
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UniTel
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# Orix to Buy U.S. Financing Concern

*Reuters*

LOS ANGELES — First Interstate Bancorp said Monday it had signed a definitive agreement to sell its Commercial Alliance Corp. unit to Orix Corp. of Japan for $190 million.

Commerical Alliance is a leading provider of capital equipment financing, while Orix is the largest leasing company in Japan and has worldwide operations.

The sale is expected to close in the third quarter of 1989, the firm said.

Orix, which is faced with an invasion of its business territory by banks and trading houses, is launching its own foray into new financial activities in a battle for higher margins.

Its purchase last year of the Braves, a professional baseball team in Japan, has created a golden opportunity for Orix to boost its image and business with individuals, analysts said.

"We aren't merely a leasing company, but an all-around financial company," said Koichi Maki, managing director and head of corporate planning at Orix.

The company changed its name from Orient Leasing Corp. in April. As of March 31, the end of its financial year, leased assets accounted for 46 percent of outstanding operating assets, while leasing contracts during the six months to that date accounted for 32 percent of new investment.

In a three-year plan, Orix aims to boost group net profit by at least 15 percent each year until 1991/92, based on accounting standards of the U.S. Securities and Exchange Commission.

But Mr. Maki said the group has set a higher in-house target.

Orix, which has dealt mainly with companies, was little known by the public before the purchase of the baseball team. But thanks to the Braves, a front running team in Japan's Pacific League, the Orix name is well known now.

The company is considering taking advantage of this to expand into consumer credit, housing loans and mortgage securities as well as providing personal leasing finance.

## UAL: *Stock Soars on Bid Report*

(Continued from first finance page)

the past two years. In 1987 it changed its name to Allegis Corp. to reflect a strategy of linking its hotel, car rental and airline businesses.

But the tactic never took off and the company restructured, returning to its UAL name and selling off its nonairline operations for $3.7 billion to avoid a takeover threat by Coniston Partners of New York.

In the two years since, the value of the company to shareholders, as reflected in its stock price, has more than doubled. In June 1987, stock in Allegis was trading at about $92 a share.

Analysts said the proposal by Mr. Davis had set the stage for other takeover offers in the airline industry.

*(Reuters, AP, UPI)*

## *VW to Spend $157 Million To Spur Sales*

*Reuters*

FRANKFURT — Volkswagen AG's chief executive, Carl Hahn, said Monday that VW will spend 300 million Deutsche marks ($156.8 million) to boost sales by offering more extras for basic models.

Breaking down previously reported first-half group net earnings, which were higher, Mr. Hahn also said group pretax profit rose more than 75 percent to 1.39 billion marks.

On Monday, the company announced that production costs rose only 10.2 percent to 28.43 billion DM, compared to the previously announced 14.1 percent rise in sales to 33.18 billion DM.

Under a plan to boost domestic sales, costs will be cut and production methods simplified.

VW shares closed 10.40 DM higher at 456 on Monday.

# *Chicago Indictments Expand the Use of Racketeering Law*

By Kurt Eichenwald

*New York Times Service*

NEW YORK — The indictments of dozens of traders at the Chicago Board of Trade and the Chicago Mercantile Exchange signaled a major expansion in the use of the Racketeer Influenced and *Corrupt Organizations* law, known as RICO, which legal experts expect to spill over into other white-collar-crime prosecutions.

Last week's Chicago indictments were the first in which anyone alleged to have committed repeated securities or commodities fraud, even if only for his own account, have been charged under the highly technical racketeering law. People who work for themselves had never before been indicted under the act in a securities or commodities case.

The RICO act, passed in 1970, was originally applied to organized-crime figures and drug traffickers. But in recent years it has been brought to bear on a variety of white-collar crimes, including securities fraud, as in the case of Michael R. Milken, the former head of the high-yield "junk bond" unit at Drexel Burnham Lambert Inc. who has pleaded not guilty.

RICO charges are particularly damaging because those convicted can be forced to forfeit all interests in, and money earned through, the racketeering enterprise, while judges can impose fines of double the gains made on the illegal enterprise. In financial frand cases, that could amount to millions of dollars, and, in Mr. Milken's case, to $3.7 billion.

The rare previous uses of racketeering charges in securities cases have focused on companies as criminal enterprises. To bring charges under RICO, the government must prove that a pattern of criminal activity was conducted through such an enterprise.

For example, when Mr. Milken was charged March 29 in a 98-count indictment that included racketeering charges, Drexel was identified as the racketeering enterprise. And when five principals of Princeton-Newport Partners and a former Drexel trader were indicted on racketeering charges in 1988, the New Jersey investment firm was named as the enterprise.

The indictments of the Chicago traders raise new issues in the use of RICO.

By naming the two exchanges as the racketeering enterprises, prosecutors said, the government could seek the value of any defendant's seat at the exchange, as well as all proceeds earned from trading for the entire time the conspiracy occurred.

The way government prosecutors and other supporters of the racketeering law see it, that is simply equal application of the RICO statute.

"It is perfectly justified in crimes of greed," said Anton R. Valukas, the U.S. attorney in Chicago, who is heading that investigation.

But Thomas A. Russo, a securities and commodities lawyer at Cadwalader, Wickersham & Taft, said "the RICO statute, in minor violations, is using a meat cleaver where a scalpel will do."

The courts have upheld most uses of the RICO act, although the Supreme Court has not ruled on its use in securities or commodities cases. But some lawyers have argued that racketeering charges are so egregious that they can be used to force information from a possible witness.

RICO can also give prosecutors leverage that at first blush might seem unconstitutional. Bruce L. Newberg, *the former Drexel trader* convicted of racketeering in the Princeton-Newport case, also will be tried in the Milken case on charges involving the same trades.

Although the constitution prohibits trying a person twice on the same charges, in the Milken indictment prosecutors named Drexel as the racketeering enterprise, instead of Princeton-Newport, and brought new charges.

"If you apply the normal rules in a RICO context, you come out with something that is exactly upside down from the rules in a normal case," said Gerard Lynch, a law professor at the Columbia University Law School.

## Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

| 12 Month High | Low | Stock | Div | Yld | PE | Sls 100s | High | Low | 4 P.M. | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|
| 15⅝ | 12½ | UPlntr s | .48 | 3.3 | 11 | 34 | 14⅝ | 14½ | 14⅝ | — ⅛ |
| 17⅛ | 9¼ | UnTex | .20 | 1.3 | 10 | 133 | 16 | 15¾ | 15⅞ | — ⅛ |
| 20¾ | 13 | UnitedF | .40 | 2.0 | 6 | 131 | 20¼ | 20 | 20¼ | + ⅛ |
| 35⅝ | 19⅝ | Unisys | 1.00 | 4.5 | 12 | 8421 | 22 | 21⅝ | 22 | + ⅜ |
| 62¾ | 43 | Unisy pf | 3.75 | 8.4 | — | 4062 | 44⅝ | 44 | 44⅝ | + ⅛ |
| 3⅛ | 1⅝ | Unit | | | — | 133 | 2⅜ | 2¼ | 2⅜ | — |
| 19½ | 13 | UAM | .32 | 1.7 | 21 | 148 | 18⅝ | 18½ | 18½ | — |
| 19⅞ | 12⅞ | UBrand | .20 | 1.2 | 11 | 400 | 17½ | 16⅝ | 17⅛ | + ⅝ |
| 29⅞ | 21⅝ | UIllum | 2.32 | 7.7 | 7 | 195u | 30⅛ | 29¾ | 30 | + ¼ |
| 22¾ | 20 | UIllu pr | 2.20 | 9.6 | — | z890u | 23 | 22¾ | 23 | + ¾ |
| 15⅝ | 12½ | UnitInd | .64 | 5.1 | 15 | 39 | 12⅝ | 12⅜ | 12⅝ | — |
| 31⅞ | 20¾ | UnitInn | | .8 | — | 35 | 28¾ | 28⅝ | 28¾ | + ⅛ |
| 10⅝ | 8⅝ | UKing | .26e | 2.5 | — | 86 | 10½ | 10⅜ | 10½ | + ⅛ |
| 5⅛ | 2⅞ | UtdMM | | — | — | 248 | 3⅛ | 3 | 3 | — ⅛ |
| 2⅛ | 1⅛ | UPkMn | | — | — | 20 | 1⅝ | 1½ | 1⅝ | + ⅛ |
| 54¾ | 33 | UsairG | .12 | .2 | 11 | 5773 | 53¾ | 52¼ | 53 | +1 |
| 2¾ | 1⅝ | USHom | | — | — | 381 | 1⅝ | 1½ | 1⅝ | — |
| 29 | 16⅞ | USShoe | .46 | 2.4 | 50 | 21985 | 20⅞ | 19¾ | 19½ | — 1⅛ |
| 42¾ | 28⅝ | US Surg | .80 | 1.9 | 18 | 78 | 41⅝ | 41½ | 41¾ | + ⅛ |
| 73⅝ | 53⅝ | USWest | 3.76 | 5.1 | 13 | 2574 | 73⅝ | 71⅝ | 73⅝ | + 1⅛ |
| 55¾ | 36⅝ | UnTech | 1.60 | 2.9 | 11 | 2395 | 54¾ | 53⅝ | 54½ | + ¾ |
| 77⅝ | 37⅞ | UniTel | 1.92 | 2.5 | 35 | 4345o | 78 | 76½ | 78 | + 1⅜ |
| 95⅝ | 40⅝ | UnIT 2pf | 1.50 | 1.6 | — | 10 | 95⅝ | 95⅝ | 95⅝ | + ¼ |
| 19 | 15⅝ | UWR | .88 | 5.3 | 19 | 92 | 16¾ | 16½ | 16½ | — ¼ |
| 8⅝ | 6⅝ | Unitrde | | — | 54 | 155 | 7⅛ | 7 | 7 | — |
| 33¼ | 18½ | Univar | .60 | 1.8 | 14 | 23 | 33⅛ | 32¾ | 32¾ | — ¼ |
| 37½ | 28¾ | UnvlCp | 1.40 | 3.9 | 11 | 84 | 35¾ | 35⅝ | 35⅝ | — ⅛ |
| 38⅝ | 21⅞ | UnvFd s | .88 | 2.5 | 14 | 114 | 36 | 35⅝ | 35⅞ | + ⅛ |
| 14⅞ | 11⅜ | UnvHR | 1.44 | 10.0 | 12 | 139u | 14½ | 14¼ | 14⅜ | — |
| 5⅝ | 1⅞ | UnvMed | .28e | 12.4 | 45 | 251 | 2¼ | 2⅛ | 2¼ | + ⅛ |
| 48½ | 33⅝ | Unocal | 1.00 | 2.1 | 13 | 2112 | 48⅝ | 47½ | 48 | + ⅜ |
| 36 | 27 | Upjohn | .88 | 2.4 | 18 | 12881u | 36⅝ | 35¾ | 36½ | +1 |
| 9⅝ | 8 | USACaf | 1.09 | 11.8 | 12 | 146 | 9⅛ | 9 | 9⅛ | + ⅛ |
| 47⅝ | 32⅝ | USLIFE | 1.40 | 3.0 | 12 | 451u | 47⅝ | 46⅝ | 47¼ | + ⅜ |
| 9⅞ | 8½ | UslfeF | .92 | 9.9 | — | 34 | 9⅝ | 9¼ | 9¼ | — ⅛ |
| 21¼ | 17½ | UtilCo | 1.44 | 6.9 | 18 | 275 | 21¼ | 20⅞ | 21 | — ⅛ |
| 21⅛ | 19⅝ | UtilCo pr | 1.77 | 8.3 | — | 33 | 21½ | 21⅛ | 21⅜ | — ¼ |
| 37⅝ | 27⅝ | VF Cp | .88 | 2.4 | 14 | 1717 | 37¾ | 37 | 37¼ | + ¾ |

## Floating-Rate Notes

Aug. 7

Dollars

Pounds Sterling

Deutsche Marks

Japanese Yen

E.C.U.

Source: Credit Suisse-First Boston Ltd. London

**Maxwell Communication Corporation plc**

*has sold*

**Gump's, Inc.**

*to a joint venture company formed by*

**Charterhouse Group International, Inc.**

*and*

**Tobu Department Store Co., Ltd.**

*The undersigned acted as financial advisor to Maxwell Communication Corporation plc.*

**ROTHSCHILD INC.**

New York Vancouver

Affiliated companies in

London Paris Zurich Milan Hong Kong Singapore Sydney

August 3, 1989

**Maxwell Communication Corporation plc**

*has sold*

**The Katharine Gibbs School**

*and*

**The Macmillan Technical School Division**

*to*

**Phillips Colleges, Inc.**

*The undersigned acted as financial advisor to Maxwell Communication Corporation plc.*

**ROTHSCHILD INC.**

New York Vancouver

Affiliated companies in

London Paris Zurich Milan Hong Kong Singapore Sydney

August 3, 1989

**Maxwell Communication Corporation plc**

*has sold*

**The Macmillan Direct Marketing Group**

*to*

**K-III Holdings, Inc.**

*The undersigned acted as financial advisor to Maxwell Communication Corporation plc.*

**ROTHSCHILD INC.**

New York Vancouver

Affiliated companies in

London Paris Zurich Milan Hong Kong Singapore Sydney

August 3, 1989

**Intertec Publishing Corporation**

*has sold its publishing operations to*

**K-III Holdings, Inc.**

*The undersigned acted as financial advisor to Intertec Publishing Corporation.*

**ROTHSCHILD INC.**

New York Vancouver

Affiliated companies in

London Paris Zurich Milan Hong Kong Singapore Sydney

August 3, 1989

# Lufthansa To Buy 20 Airbuses

*Reuters*

PARIS — Airbus Industrie said Monday that Lufthansa, the West German airline, is to buy 20 A-321 aircraft and has taken options on 20 more of the planes.

The order is in addition to Lufthansa's existing order for 20 A-320s and is subject to approval by the Lufthansa supervisory board. Deliveries of the A-321s, stretched versions of the A-320, are planned to begin in 1994.

The Lufthansa decision brings orders for the new A-321 up to 80, with 68 options.

Airbus also announced that Air India had signed a contract for two A-310-300 aircraft and that Czechoslovakia had ordered two A-310-300s for the state airline Ceskoslovenske Aerolinie on long-haul routes to North America and the Far East.

The CSE and Air India aircraft will be powered by CF6-80C2 engines built by General Electric Co. of the United States. No financial details of the Czech contract were announced.

Airbus said the choice of engine for the Lufthansa aircraft had yet to be made. Lufthansa plans to use its A-320s and A-321s on European routes and on flights to North Africa and the Middle East.

The German decision follows big orders from other European carriers, which, analysts say, have secured the future of the A-321.

The managing director of Airbus, Jean Pierson, said at the Paris air show in June that the company had a target of 40 firm orders before the A-321 program could be officially launched.

# C&A: *Retailer Insists It Is Not Multinational Company*

(Continued from first finance page)

tens of billions of guilders per year, analysts said. In West Germany, the only country where C&A is required to publish basic annual results, it posted 1988 sales of just under 7.5 billion Deutsche marks ($4 billion). Net profit in West Germany fell by 25 percent, to 172 million DM, reflecting higher allocations to pension reserves.

West Germany is C&A's biggest market, with 158 stores. It is closely followed by Britain, with 105 stores, and the Netherlands, where C&A's 87 stores are estimated to give it a 20 percent share of the domestic market for retail clothing.

"By extrapolating from the German figures, you could say that C&A's turnover in Germany, the U.K. and Holland alone must be at least 15 billion guilders ($7.09 billion)," according to one Dutch stock analyst, who asked not to be named. "But it's impossible to follow C&A in any real way because there are no figures to go on."

Besides these three countries, C&A also has stores in Belgium, France, Switzerland, Austria and Spain, as well as in Brazil and Japan. In the United States, C&A operates under the names of various chains that it has acquired, such as Ohrbach's. According to Fortune magazine — which put Godfried Brenninkmeijer, the recently retired chairman of C&A Nederland, in 17th place in its 1988 ranking of the world's billionaires — the Brenninkmeijer family controls more than 500 clothing shops around the world.

Mr. Remarque of C&A said that Fortune's inclusion of Mr. Brenninkmeijer on the list of billionaires, with estimated wealth of $3.4 billion, had been met with laughter within the company. Declining to comment on Mr. Brenninkmeijer's true wealth, he said, "Fortune probably made a rough guess of what they thought C&A must be worth and then assigned that entire figure to Mr. Brenninkmeijer because he happened to be the chairman of the Dutch company. But C&A doesn't work that way because it's not a multinational."

Members of the Brenninkmeijer family have a strict policy of not giving interviews, and they do not allow their photographs to be taken for publication. This strict sense of privacy makes it difficult for analysts to say with any certainty how the company is financed and run.

> **'Facets of the company have suffered from one-sided information.'**
>
> **Paul Remarque, head of public relations for C&A Nederland.**

The task is made even more complex by the fact that the "company" is not a company at all: there is no corporate parent, only national partnerships in which members of the Brenninkmeijer family around the world have taken extensive cross-holdings to form a tight-knit, interlocking unit.

Intercena, the Amsterdam bureau that advises the various organizations on advertising, purchasing and automation, is not a parent company because no decisions are taken centrally, C&A says. "C&A is no multinational, either legally or organizationally," Mr. Remarque said.

An analyst at an Amsterdam-based bank said: "If you could get a look at the balance sheet of one of these organizations, you'd probably see that the proportion of external capital is relatively low. Basically, the company's capital is made up of the personal fortunes of the Brenninkmeijers."

There are two levels of partnership in C&A organizations. Some partners can be held financially liable only up to the amount that they put into the firm, while the liability of other partners is unlimited. According to C&A, this high level of personal and financial accountability makes public financial disclosure unnecessary.

Dutch unions in the service sector have tried for years to establish direct bilateral relations with C&A management, similar to the regular consultations that they hold with other retailers.

"Our desire to talk to C&A is not so much a question of wanting to represent C&A workers, because they're not asking for better wages or pensions," Ben van Zweden, an official of the service-sector union Dienstenbond said. In fact, the company is considered to pay better-than-average wages.

"It's more a question of wanting to discuss overall policy with C&A because it's the leading retail clothing group in West Germany and Holland," he said. Because of its size, C&A's employment policies are closely watched and often imitated by competitors, he added.

Mr. van Zweden was involved in the European-wide campaign in the early 1980s to have C&A declared a multinational by the Paris-based Organization of Economic Cooperation and Development, which maintains a voluntary code of conduct for such companies. The attempt failed in 1986 when the OECD declined to rule on whether it thought C&A was a multinational.

# ARGENTINA: *Bunge & Born, a Peronist President's Capitalist Ally*

(Continued from first finance page)

inefficient state companies of key areas of the economy like energy and communications. In the final months of the administration of Raúl Alfonsin, these problems snowballed.

The Central Bank was almost bare, there was a run on black-market dollars, production and purchasing power plummeted and the country fell 16 months behind in interest payments on its foreign debt.

Inflation was 114.5 percent for the month of June alone and is expected to approach 200 percent a month for July, putting Argentina in the running for a 20th-century inflation record.

During most of the presidential campaign, Mr. Menem, a former governor of the poor western province of La Rioja, offered only two specific economic promises: large wage increases and a "productive revolution."

Economists with sharply different views competed for his attention. Foreign Minister Domingo Cavallo, an economist trained at Harvard University, proposed a frontal attack on deficits and relatively free and open markets. Traditional Peronist economists argued for pump-priming strategies.

But a few weeks before the election, Bunge & Born representatives showed Mr. Menem a plan developed by the company's economists. It had been rejected by the Alfonsin government in 1985 and, during the campaign, by Eduardo Angeloz, the candidate of Mr. Alfonsin's party, the Radical Civic Union.

"Mr. Menem liked our economic model," Mr. Carracedo said.

The plan, straddling the fence between Mr. Menem's two groups of economists, combines a freeze on prices, which has begun to slow their advances, with wage increases not quite as high as the inflation rate; a high exchange rate for the dollar that brought in about $1 billion in reserves in two weeks; large hikes in the prices of utilities and other public services to refill public coffers and a legislative package to make the Central Bank autonomous and begin privatizing the state companies.

So far, the labor movement, the backbone of Peronism, has been relatively acquiescent. But there have been rumblings recently that some leaders are not happy with the wage discipline that the government wants to maintain.

The Menem government is gambling that if it continues to permit wage increases for the next few months, while a price freeze is in effect, consumer purchasing power will get ahead of inflation and create demand, which could revive industry without widespread layoffs.

About 40 percent of Argentina's industrial capacity is idle, although labor laws largely prevent dismissals.

Bunge & Born executives say the plan essentially counts on industrial production for internal consumption to revive the economy, rather than diversification and expansion of exports, which are concentrated in grain and meat.


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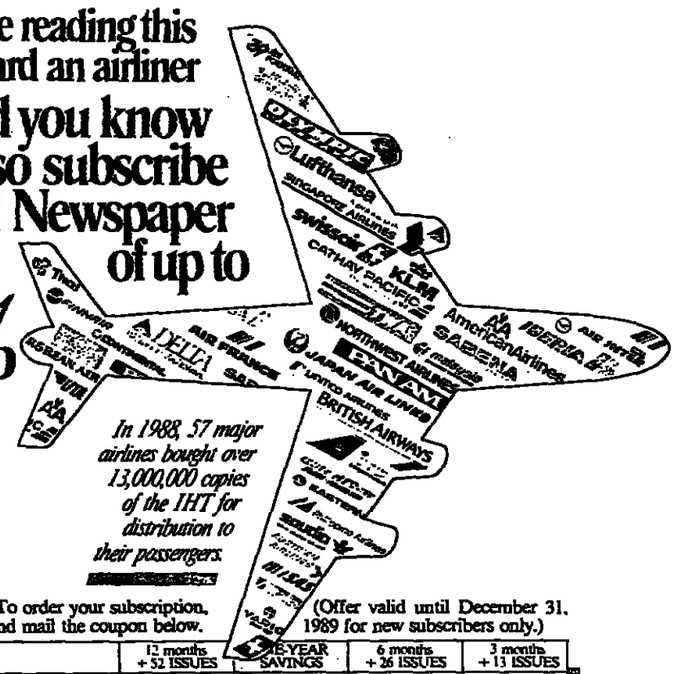


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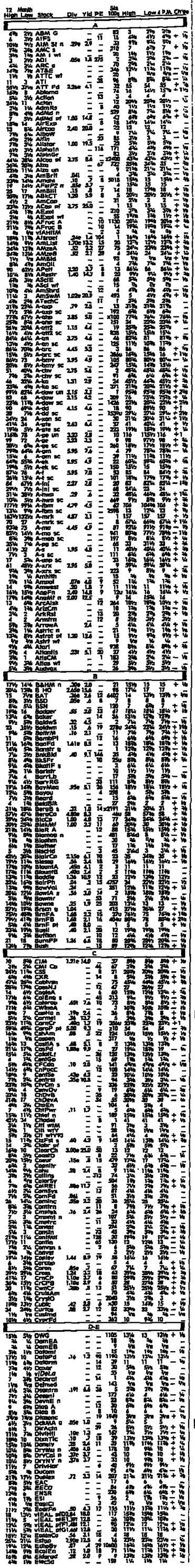
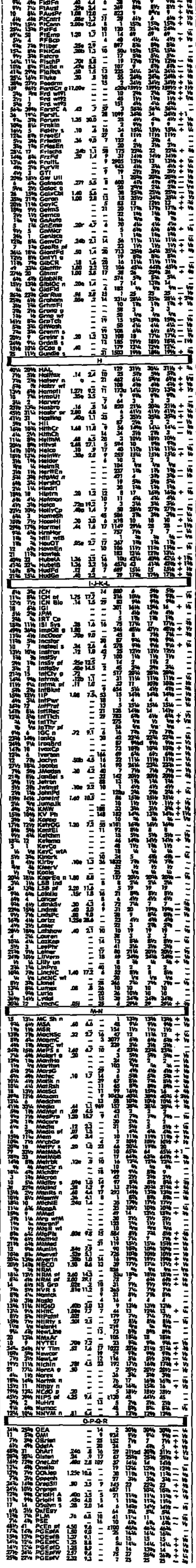
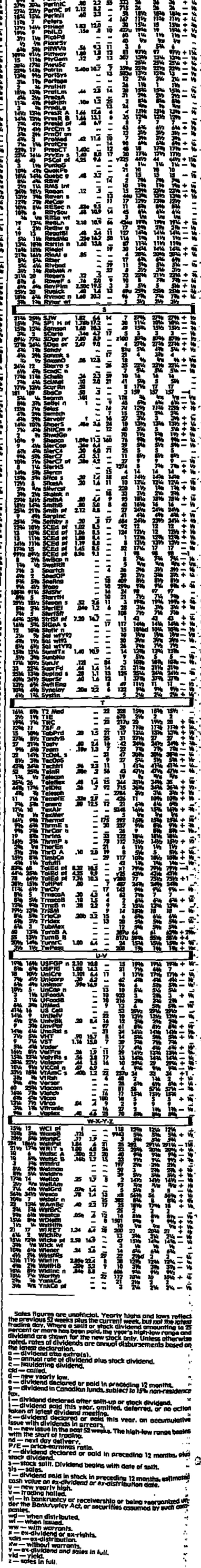
## Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

*Via The Associated Press*







Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vj — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xds — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

# Monday's NASDAQ Prices

Prices as of 4 p.m. New York time.
This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.
*Via The Associated Press*

| 12 Month High | Low | Stock | Div | Yld | PE | Sls 100s | High | Low | 4 P.M. | Chge |
|---|---|---|---|---|---|---|---|---|---|---|
| A | | | | | | | | | | |
| [illegible] | | | | | | | | | | |
| B-C | | | | | | | | | | |
| [illegible] | | | | | | | | | | |
| D-E-F | | | | | | | | | | |
| [illegible] | | | | | | | | | | |
| G-H-I | | | | | | | | | | |
| [illegible] | | | | | | | | | | |
| J-K-L | | | | | | | | | | |
| [illegible] | | | | | | | | | | |
| M-N | | | | | | | | | | |
| [illegible] | | | | | | | | | | |
| O-P-Q | | | | | | | | | | |
| [illegible] | | | | | | | | | | |
| R-S | | | | | | | | | | |
| [illegible] | | | | | | | | | | |
| T-U-V | | | | | | | | | | |
| [illegible] | | | | | | | | | | |
| W-X-Y-Z | | | | | | | | | | |
| [illegible] | | | | | | | | | | |

# Dollar Finishes Higher, Extending Its Rally

*Compiled by Our Staff From Dispatches*

NEW YORK — The dollar edged higher Monday against most key currencies in thin trading, extending last week's rally, which stemmed from speculation that interest rates are not likely to decline soon.

Against the Deutsche mark, the dollar rose to 1.9165, up from Friday's closing of 1.9055. It also gained to 140.10 yen, up from 139.90.

The U.S. currency climbed to 6.4845 French francs, compared with 6.455 fraccs, and to 1.6465 Swiss francs, up from 1.6420 francs.

The pound fell to $1.5995, down from $1.606.

Currency traders said the dollar continued to be buoyed by Friday's better-than-expected U.S. employment figures, which showed nonfarm payrolls rose by 169,000 in July. The jobless rate for last month also fell to 5.2 percent from 5.3 percent in June.

**London Dollar Rates**

| Closing | Mon. | Fri. |
|---|---|---|
| Deutsche mark | 1.9045 | 1.8980 |
| Pound sterling | 1.6065 | 1.6145 |
| Japanese yen | 139.45 | 139.30 |
| Swiss franc | 1.6370 | 1.6352 |
| French franc | 6.4550 | 6.4175 |

*Source: Reuters*

That news dampened expectations that the Federal Reserve would further lower interest rates, since it showed that the economy was still growing, traders said.

"The Friday number was a watershed event in terms of short- and intermediate-term thinking toward the dollar," said J. Thomas Stanley, a vice president at Chemical New York Capital Markets Group.

Higher interest rates are seen as bullish for the dollar because they make dollar-denominated securities, such as stocks and bonds, more attractive to foreigners, thereby increasing the need to convert their currencies into dollars.

Earlier, in London, the dollar rose but was off the day's highs as profit-taking trimmed gains in Europe.

Dealers said the dollar's undertone remained firm after the release of the stronger-than-expected U.S. employment data but that the currency's upward potential would be limited since the jobs report was not enough to push the dollar above resistance at about 1.92 Deutsche marks. Many said the market was awaiting further clues on the direction of U.S. interest rates.

The dollar rose in London to 1.9045 DM from 1.8980; to 139.45 yen from 139.30; to 1.6370 Swiss francs from 1.6352, and to 6.4550 French francs from 6.4175.

The pound fell to $1.6065 from $1.6145.

"The dollar looks hard to move either way from the current levels," said Kikuo Inoue, manager at the Bank of Tokyo in London. "The dollar may have potential to gain further against the mark as there must be operators who want to build up long positions for hedging after covering short positions, but I do not expect any clear direction in coming days."

Bob Hatcher, corporate trader at Barclays Bank in New York, said Friday's strong employment data had surprised some currency traders, and that they continued to buy dollars Monday to square short positions taken in recent weeks as key interest rates dropped.

Dealers also bought dollars ahead of a Treasury refunding operation set to begin Tuesday, although, Mr. Hatcher said.

He predicted that the dollar would be traded in a narrow range of between 1.8900 and 1.9300 DM until new economic data gives dealers a clearer picture about the future of the economy.

*(AP, Reuters)*


ADVERTISEMENT

## INTERNATIONAL FUNDS

August 7, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

AL-MAL GROUP
(w) Al-Mal Trust, S.A. — $ 318.00
(r) Managed Currency — $ 988.48
(w) Equity — $ 965.43
(w) Bond — $ 975.43
ALPHA ASSET MANAGEMENT LTD.
(m) Alpha Global Fund — $ 403.99
(m) Alpha Arbitrage Fund — $ 257.84
(m) Alpha Hedge Fund — $ 318.58
(w) Nicholas-Applegate Aurelia. $ 130.80
BANK JULIUS BAER & CO. Ltd.
(d) Baerbond — SF 958.00
(d) Conbar — SF 1887.00
(d) Equibaer America — $ 1752.08
(d) Equibaer Europe — SF 1658.00*
(d) Equibaer Pacific — SF 1719.00*
(d) Stockbar — SF 2322.00
(d) SFR-BAER — SF 986.00*
(d) Swissbar — SF 2556.00
BAII MULTICURRENCY
(r) Multicurrency US$ — $ 1,314.89
(r) Multicurrency Ecu — ECU 1,172.52
(r) Multicurrency Yen — Y 253,749.00
(r) Multicurrency FFR — FF 11,509.32
BNP INTERFUNDS
(w) Interbond Fund — $ 196.55
(w) Intercurrency US$ — $ 10.82
(w) Intercurrency DM — DM 30.59
(w) Intercurrency Sterling — £ 10.65
(w) Intercurrency Managed — $ 10.65
(w) Interequity French Offer — $ 15.51
(w) Interequity Pacific Offer — $ 19.74
(w) Interequity N. Amer. Offer — $ 13.02
(w) Interequity European Class — $ 9.79
(w) Interequity Australia Cla. — $ 10.41
(w) Interlux Capital Belgian — LF 57,542.00
(w) Interlux Cap.Fr Securite — FF 11,466.43
(w) Interlux Capital FFr — FF 13,395.95
(w) Interlux Cap.France Cap. — FF 11,319.36
(w) Interlux Cap. LUF/BEF — LF 68,812.00
(w) Interlux Capital ECU — ECU 1,273.49
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 26614
(w) Int'l Equity Fund (Sicav) — $ 12.23
(w) Int'l Bond Fund (Sicav) — $ 10.62
BANQUE INDOSUEZ
(w) Asian Growth Fund — $ 31.23
(w) Asian Income Fund — $ 9.38*
(w) Diverbond — SF 84.95
(w) FIF-Internat. Div.A — $ 19.00
(w) FIF-Internat. Div.B — $ 19.76
(w) FIF Internat.America — $ 16.11
(w) FIF Internat.Pacific — $ 45.61
(w) FIF Internat.Europe — $ 29.26
(w) FIF Internat.Japon — Y 1,272.80
(w) FIF Int. Nat. Res. A — $ 11.29
(w) FIF Int. Nat. Res. B — $ 11.29
(w) France Blue chips No 1 — FF 119,446.50
(w) Indosuez Multibonds Div.A — $ 134.30
(w) Indosuez Multibonds Div.B — $ 281.68
(w) France International — FF 103.72
(w) Indosuez Multibonds US$ — $ 110.87
(w) Indosuez Multibonds YEN — $ 9,919.00
(w) Indosuez Multibonds DM — DM 104.06
(w) FMA-J — $ 1120.00
(w) Malacca Fund — $ 11.97
(w) The Siam Fund — $ 17.64
(w) Pacific Gold Fund — $ 12.61
BANQUE PRIVEE E. DE ROTHSCHILD
(w) Daiwa Lcl Equity — $ 1042.96
(w) Daiwa Lcl Int. Bond — $ 1041.27
(w) Ecu D'Or — ECU 93.18
(w) Hispano Int'l Fund — ECU 10.11
(b) Pri-Tech — $ 1210.74
(b) Source Sicav — $ 11.37
BANQUE E. DE ROTHSCHILD LUX. SA
(b) Cursitor BP Fixed Inc.Fund — DM 125.20
(b) Cursitor BP General Fund — DM 147.41
(b) Eagle Fund — LF 10434.00
(b) Europe Japan Fund — $ 10.17
(b) Governm. Sec. Funds — $ 76.50
(b) Leicom — $ 2715.48
(b) Opportunities Fund — $ 883.02
(b) Prifirst — $ 521.35
(b) Prirop fund — DM 51.43
(w) Rente Plus — BF 59144.00
(r) Select. Horizon Dev. — FF 53441.01
(r) Select. Horizon FF — FF 56781.49
(b) Star Conv.Fund FL — FL 10133.70
(b) Star Conv.Fund USD — $ 102.37
BANQUE SCANDINAVE EN SUISSE-GENEVA
(w) BSS Bond Fund — SF 81.47*
(w) BSS Intelsec. — SF 1887.61
(w) BSS Int'l Bond — $ 1.22*
(w) BSS Int'l Equity — $ 2.185
B.F.A.C.M.
(w) Ecu Multiplacement — ECU 1182.34
BROADGATE INTERNATIONAL FUND
(d) $ Money Market — $ 12.47
(d) Non-$ Money Market — DM 30.30
(d) $ Bond — $ 13.35
(d) Non-$ Bond — DM 31.65
(d) Global Equity — $ 17.03
(d) Global Bond — $ 13.55
(d) Global Bond & Equity — $ 14.74
(d) Prec. Mets/Min. Secs — $ 6.62
B.W MANAGED ASSETS CY. SICAV
(t) Global Bond Fund — ECU 10.95
(t) European Securities Fund — ECU 13.14
(t) French Securities Fund — FF 128.51
(t) North American Secu.Fund — $ 11.66
(t) Pacific Basin Secu. Fund — $ 10.07
CAISSE CENTRALE DES BANQUES POP.
(d) Fructilux-Obl.FSES — FF 5,777.70
(d) Fructilux-Obl.Euro — ECU 1,070.99
(d) Fructilux-Act.Fses — FF 7,557.05
(d) Fructilux-Act.Euro — ECU 1,265.68
(d) Fructilux-Tresorier — FF 5,683.62
CALLANDER
(w) Callander Emer. Gr. — $ 115.33
(w) Callander Fund-Asset — $ 107.05
(w) Callander Fund-Span. — Ptas 18,549
CAPITAL INTERNATIONAL
(w) Capital Int'l Fund — $ 92.94*
(w) Capital Italia SA — $ 36.86
CDC INTERNATIONAL
(w) CFI Court Terme — FF 115,989.88
(w) CFI Long Terme — FF 1152,488.67
CIC GROUP
(d) Oblicic Monetaire — FF 11305.18
(d) Oblicic Court Terme — FF 11686.60
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citicur USD Portofolios — $ 1294.83
(d) Citinvest Ecu Income — ECU 1309.78
(d) Citinvest Manag. Growth — $ 1198.71
(d) Cit.Manag.Growth Euro — ECU 1047.19
(d) Citinvest Profit Sharing — $ N/C S
(d) Citinvest Selector — $ 928.55
(d) Citinvest Guardian $ — $ 1066.27
(d) Citinvest Guard. Euro — ECU 1067.15
(d) Citiport N.A Equity — $ 142.39
(d) Citiport Jap. Equity — Yen 11446.00
(d) Citiport UK Equity — £ 124.56
(d) Citiport S.Asian Eq. — $ 132.77
(d) Citiport Cont.Euro. Eq. — ECU 136.55
(d) Citiport N.A.S Bond — $ 112.14
(d) Citiport Euro Bond — ECU 103.69
(d) Citiport AS.Pac.Bd. — YEN 10556.08
CITITRUST
(w) US. $ Equities — $ 223.15708
(w) US. $ Bonds — $ 12.11785
(w) US. $ Money Market — $ 12.41774
(w) Global Equities — $ 9.80000
(w) Global Money Market — $ 11.37000
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(w) CM Inv.Ser.Fds-Glbl.Grth — $ 11.51
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(w) Elysees Court Terme — FF 58,252.64
(w) Elysees Long Terme — FF 54,922.94
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(w) Elysees Multibonds Fd — £ 106.74
(w) EMF D-Mark (A&B) — DM 1,017.27
(w) EMF Ecu (A & B) — ECU 1,036.22
(w) EMF US Dollar (A & B) — $ 1,098.63
(w) EMF Yen (A & B) — YEN 100,833.00
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CODEVALOR SICAV
(w) C.Rendement Fr.Suisse — SF 1921.91
(w) C.Rendement US$ — $ 1422.14
(w) C.Croissance Dollar — $ 1552.85
(w) C.Croissance Zone Sterling — £ 1002.67
(w) C.Croissance Fr.Suisse — SF 2114.16
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
(w) Bond:Dollar Medium Term — $ 11.31
(w) Bond:Ecu Multicurrency — ECU 10.56
(w) Equity:United Kingdom — £ 12.11
CREDIT SUISSE (ISSUE PRICES)
(d) CSF Bonds — SF 83.25
(d) Bond Valor Swf — SF 104.40
(d) Bond Valor US-DOLLAR — $ 127.74
(d) Bond Valor D-mark — DM 115.05
(d) Bond Valor Yen — Y 11,034.00
(d) Bond Valor £ Sterling — £ 102.40
(d) Convert Valor Swf — SF 158.00
(d) Convert Valor US-DOLLR — $ 180.43
(d) CSF Internatonal — SF 146.58
(d) Actions Suisses — SF 646.00
(d) Europa-Valor — SF 226.50
(d) Energie-Valor — SF 160.50
(d) Canasec — SF 667.00
(d) Ussec — SF 808.00
(d) Pacific-Valor — SF 237.00
(d) CS Gold Valor — $ 157.48
(d) CS Ecu Bond A — ECU 103.36
(d) CS Ecu Bond B — ECU 118.39
(d) CS Europa Bond 'A' — DM 254.14
(d) CS Europa Bond 'B' — DM 254.14
(d) CS Gulden Bond A — FL 101.02
(d) CS Gulden Bond B — FL 112.34
(d) CS Prime Bond 'A' — DM 98.57
(d) CS Prime Bond 'B' — DM 104.16
(d) CS Short-T. Bd DM A — DM 100.96
(d) CS Short-T. Bd DM B — DM 111.48
(d) CS Short-T. Bd $ A — $ 101.84
(d) CS Short-T. Bd $ B — $ 115.21
(d) CS Money Market Fund — $ 1413.82
(d) CS Money Market Fund — DM 1226.45
(d) CS Money Market Fund — £ 1486.11
(d) CS Money Market Fd Yen — Y 115,436.00
DIT INVESTMENT FFM
+(d) Concentra — DM 42.19
+(d) Int'l Rentenfond — DM 81.38
DREXEL BURNHAM LAMBERT INC
Winchester House, 77 London Wall
LONDON EC2 (01 9209797)
(w) Finsbury Group Ltd — $ 162.69
(w) Winchester Capital — $ 107.37
(w) Winchester Holdings — FF 142.62
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(d) Bond-Invest — SF 64.25
(d) Brit-Invest Shares — SF 828.00
(d) D-Mark-Invest Bds — DM 206.10*
(d) Dollar-Invest Bds — SF 109.03*
(d) ESPAC Spanish sh — SF 224.50
(d) Eurit — SF 353.50
(d) Fonsa Swiss Sh. — SF 226.00*
(d) Francit Shares. — SF 219.00
(d) Germac Shares. — SF 221.50
(d) Globinvest Shares. — SF 119.00
(d) Gold Invest Shares. — SF 256.00
(d) Holland-Invest Sh. — SF 245.00
(d) Itac Shares — SF 233.50
(d) Japan-Invest Sh. — SF 1789.00
(d) Sima (stock price) — SF 240.00
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(d) Unirenta — DM 41.20
(d) Unifonds — DM 33.70
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(d) Unizins — DM 114.70
THE UNIVERSAL GROUP OF FUNDS
(m) Canada Gtd-Mortgage Fd. — C$ 12.56
(d) Univers Sav Amer — C$ 10.59
(d) Univers Sav Equity — C$ 12.86
(d) Univers Sav Global — C$ 5.60
(d) Univers Sav Pacific — C$ 9.08
(d) Univers Sav Nat. Res — C$ 6.57
vHOYTEMA & CHAUSSEE Brussels 5118933
(m) vH&C Managed Fut. Index — $ 190.00

### Other Funds

(b) Abacus Guart.Fd.Mar.'94 — $ 9.55
(r) Acticroissance — $ 478.12
(d) Actifinance Intl — $ 873.75
(w) Actigestion — FF 1127.65
(w) Activest Intl — $ 22.76
(d) Amvabel — FL 97.00
(w) Aquila International Fund — $ 267.06
(b) Ariane — $ 3,456.50
(m) Atlantic Fund — $ 100.04
(d) Atlas Fund — SF 123.64
(r) Australia Fund — $ 15.39
(d) Bahamas Superfund — $ 987.00
(b) Blao Monod Bond Fund — $ 189.47
(d) Berg Norden Sicav — $ 152.86
(d) Berg Trust Sicav — $ 125.60
(w) Bergen Int'l Fund. — $ 11.42
(d) Bever Beleggingen++ — $ 25.50
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(w) Bandselex-Issue Pr. — SF 118.35
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(d) Cash Gestion — FF 95604
(d) CB German Index Fund — DM 121.47
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(w) Columbia Securities — FL 111.62
(d) Commod. Gtd. Fund/USA — $ 9.21
(d) Conqueror Fund Ltd — $ 99.14
(d) Convert. Fd. Int'l A Certs — $ 19.18
(d) Convert. Fd. Int'l B Certs — $ 42.54
(d) Cumber Intl N.V. — $ 248.13
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(w) D.G.C. — $ 187.68
(d) DIVERSIF. BOND FUND — $ 93.67
(d) D-mark-Baer Bond Fd. — DM 1056.00*
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(d) D. Witter Wld Wide Ivt Tst. — $ 24.29
(d) Dreyfus America Fund — $ 17.40
(d) Dreyfus Fund Int'l. — $ 43.92
(d) Dreyfus Intercontinent — $ 63.97
(w) Esprit Sicav — ECU 1213.54*
(w) Espirito Sto Inv M Sth Eur Fd. — $ 10.86
(d) Europe Obligations — ECU 75.10
(w) Fairfield Int'l Ltd. — $ 126.00
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(w) Fonditalia — $ 78.83
(w) Fonselex Issue Pr. — SF 202.70
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(w) Formula Selection Fd. — SF 73.78
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(d) Frankt-Trust Interzins — DM 42.53
(w) Future Div.Fund — $ 30,175.00
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(m) German Sel. Associates — DM 2150.47
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(w) Health 2000 Ltd — $ 10.91
(w) Hestia Funds — $ 149.58
(w) Horizon Fund — $ 1895.49
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(w) IFDC Japan Fund — YEN 47,948.00
(r) ILA-IGB — $ 6.51
(r) ILA-IGS — $ 9.97
(m) IncAmerica N.V. — $ 14.62
(m) IncAsia N.V. — $ 10.67
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(w) Japan Pacific Fund — $ 310.20
(w) Kleinwort Bens. Jap. Fd. — $ 260.66
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(d) Liquibaer — $ 1757.00
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(w) Luxfund — $ 104.12
(m) Lynx Sel.Holdings — SF 126.93
(w)ML Morgens Lv HI Yld.Inv.NV — $ 10.73
(d) Mediolanum Sel. Fd. — $ 41.39
(d) NCA FUND — $ 11.57
(w) Nippon Fund — $ 109.00
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(w) NMT Citadel Bond — SF 113.48
(m) NMT Nostec Portfolio s/s — $ 111.07
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(d) Nomura-Cap Int Eq Fd — $ 14.41
(d) Nordmix — Lit 11261.80
(m) NSP F.I.T. — $ 272.58
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(d) Vesper Tr 'C' — FF 5
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(d) Victoria Fund — $ 23,000.00
(w) Willerbond Capital — $ 14.30
(d) World Fund S.A. — $ 11.54
(d) World Balanced Fund S.A. — $ 11.86
(m) Zweig Int'l Ltd — $ 90,472.00

A$ - Australian Dollars; BF - Belgium Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; ++ - Paris exchange; +++ - Amsterdam exchange; x - misquoted earlier; z - not registered with regulatory authority

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# SPORTS

## Safety at Sea Has Improved Since Racing Tragedy

By John Rousmaniere
*New York Times Service*

UNTIL 10 YEARS AGO, the fatalities in post-World War II sailboat races could be counted on four or five hands. Occasionally, a sailor might fall overboard and drown, and a boat would disappear with all hands. Never was it said that sailing was as predictably risky as mountain climbing or powerboat racing.

But on Aug. 13, 1979, in a day of storm and terror, 15 yachtsmen were killed in waters between England and Ireland when hurricane-strength winds and 50-foot (15-meter) breaking waves overwhelmed the 303 ocean-racing keel boats in the Fastnet Race.

I sailed in that race, whose renewal started this Sunday. The boat I was on was lucky and seaworthy, so I have no wild stories to tell.

Elsewhere there was chaos. Miles from a protective harbor, in the darkest hours before dawn, hundreds of boats were heaved about like bathtub toys and more than 75 capsized. On board, flying equipment wounded sailors and tore up furniture.

Many boats lay upside down for several minutes, with their crews trapped inside. When they lurched upright they were half-full of water. Men and women pumped and bailed for their lives only to watch helplessly as their vessels capsized again. Convinced that the boats were lethal, 24 exhausted crews abandoned ship. Most were plucked from life rafts by military helicopters and airlifted to land, but five men (three of them from one boat) died near their rafts.

Dazed and mourning, the international sailing community struggled to make sense of the disaster.

The first lesson was summarized in a report by the Royal Ocean Racing Club and the Royal Yachting Association. "In the 1979 race," the British yachtsmen wrote, "the sea showed that it can be a deadly enemy and that those who go to sea for pleasure must do so in full knowledge that they may encounter dangers of the highest order."

For people who make the sea their playground, this is a serious concession. In the past 10 years, cautious thinking has inspired major advances in sailing safety in three areas: yacht design, equipment and communications.

Some people might think that research in racing-yacht design is irrelevant to average sailors, since there are at least 25 cruisers for every racing boat. But it is important because the design of cruising sailboats is strongly influenced (for better and for worse) by the success of high-tech racing boats.

Between 1970 and 1979, there were several breakthroughs in racing-yacht design that produced boats that sailed very fast but were not able to handle rough weather. According to the yacht designer Olin Stephens II, "Some modern ocean racers, and the cruising boats derived from them, are dangerous to their crews."

Using computers, towing tanks, and other scientific tools, Stephens and other technicians in the United States and Britain worked to identify why a boat capsizes. Their research resulted in new ways to make boats more seaworthy and how to estimate a boat's tendency to capsize in rough weather.

Thanks to their findings and changes in the handicap rules, the boats that started the 1989 Fastnet Race are probably more resistant to capsizing than most of the boats in the 1979 race. (With the increased use of space-age construction materials, they are stronger, too.)

The second area of advance is in safety equipment used to deal with one of the most frightening emergencies on a boat: how to rescue someone who has fallen overboard.

In hundreds of trials, volunteers at the U.S. Naval Academy Sailing Squadron in Annapolis, Maryland, and the Sailing Foundation in Seattle tested every available crew-overboard rescue doctrine and device. They concluded that none was satisfactory, so they developed new approaches.

One is the quick-stop method that calls for turning the boat around immediately after the person goes overboard. Although this sounds like the first thing anyone would do, sailors had been taught for decades to sail a reach away from the victim, get organized for the rescue effort, then tackle or jibe to reach back.

There's also an ingenious new device, the Lifesling, that allows a small person to recover a much larger person without assistance.

The Lifesling is so simple that instructions are printed on the device's yellow pouch. The sling is connected to the boat by 150 feet of floating line. All one needs to do is stop the boat as quickly as possible and throw the sling overboard immediately. With the sling trailing behind, the boat circles around the person in the water. Once the person overboard is in the sling, he can be winched to the boat.

THE THIRD ADVANCE stimulated by the 1979 Fastnet Race storm is communications.

Where the average pleasure sailor approached safety discussions with the alacrity of a society matron who has stumbled into an X-rated movie, sailors now readily enroll in all-day educational programs called safety-at-sea seminars. A half-dozen experienced sailors and safety experts lecture on water survival, heavy-weather sailing techniques, life jackets, Coast Guard search-and-rescue policies, life rafts, weather prediction, and how to select and prepare a boat and crew for an ocean cruise.

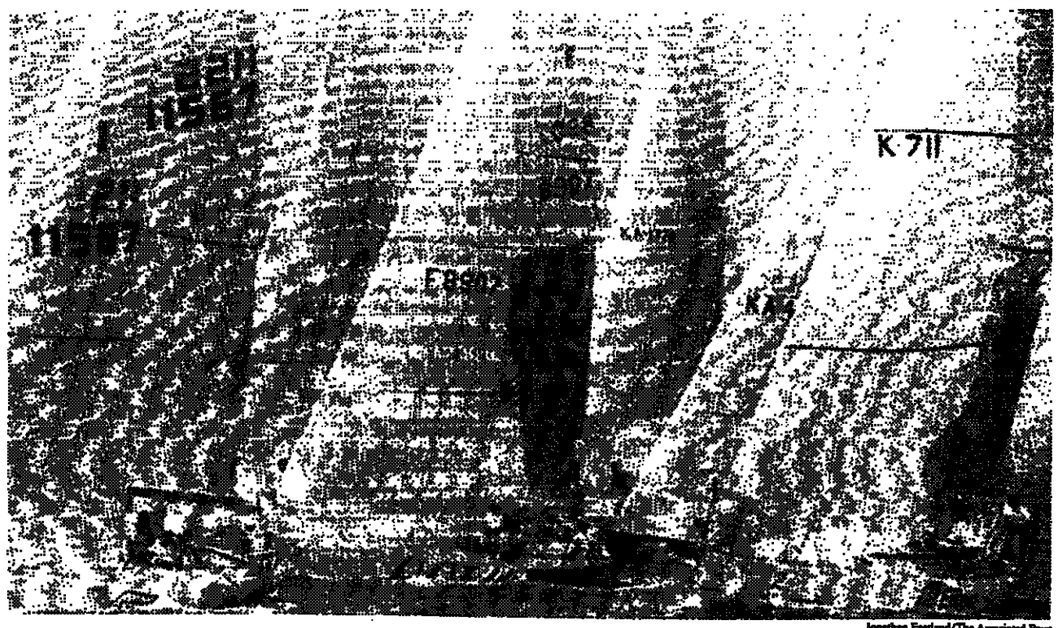
The message is simple: someday, somewhere, somehow you're going to confront trouble, so be prepared.

But do these advances guarantee that a Fastnet-type calamity won't happen again? No. To quote Byron, "Man marks the earth with ruin; his control stops at the shore."

In 1985, there was another storm in the Fastnet race, and, although there was no loss of life, more than 70 percent of the boats dropped out.

With bad weather and bad luck, even a well-trained crew in a seaworthy boat with the best modern gear may face trouble.

*The writer is the author of "The Annapolis Book of Seamanship." His book on the 1979 Fastnet Race, "Fastnet, Force 10," was published in six languages.*



Jonathan Eastland/The Associated Press

**A swarm of yachts jockey off England during the start of the Fastnet Race, a leg of the Admiral's Cup regatta.**

## Fastnet Yachts Battling a New Enemy: No Wind

*The Associated Press*

PLYMOUTH, England — A lack of wind left the nearly 280 yachts in the Fastnet Race floundering Monday in the waters off the southwestern coast of England, having covered less than 150 miles (240 kilometers) in 24 hours.

It was one of the slowest starts in the Fastnet Race between England and Ireland, and many of the boats had to drop anchor overnight to avoid being carried in the wrong direction by tides.

The Fastnet Race is the most prestigious portion of the Admiral's Cup regatta, and the 40 ships remaining in the regatta are participating in the Fastnet event.

Denmark's Andelsbanken was leading the fleet on the water, with Japan's Will and Britain's Jamarella close behind.

But the American one-ton yacht Sagacious V was leading on corrected time, and the American 50-footer Great News was second.

Sagacious had been a disappointment during the first five races in the Admiral's Cup.

The Americans, in fifth place at the start of the Fastnet, faced a tough battle to reach the overall leader, Britain. Weather forecasters predicted a change by Wednesday.

The race was expected to end at Plymouth on Wednesday.

## *Britain's Track Victors Aiming for Barcelona*

*Compiled by Our Staff From Dispatches*

GATESHEAD, England — It was a fairy tale performance Sunday in front of a home crowd, and the euphoria was understandable after the British 4-by-400 meter relay team clawed its way to victory in the final event of the two-day Europa Cup track and field competition.

In winning the cup for the first time in the competition's 24-year history, Britain earned a spot as one of two European men's teams, along with the Soviet Union, at the World Cup track and field finals next month in Barcelona.

Britain's head coach, Frank Dick, described the overall victory as the best British track and field performance ever. Britain won nine of the 20 events.

It was later acknowledged among athletes and officials that the Soviet Union and East Germany, who finished second and third, respectively, were missing several top athletes and had not performed to their full capacity.

East Germany, in particular, has been hard hit by retirements, and its only victories came in the shot put and discus throw, where Olympic champions Ulf Timmermann and Juergen Schult outclassed their opponents. *(See Scoreboard)*

"Obviously the hard part is to come," sprinter John Regis, one of Britain's seven individual winners, said. "But now we have got to Spain, everybody will want to prove this was no fluke."

Britain took five victories in the opening 10 events Saturday and consolidated its position from the opening track event Sunday when Colin Jackson, the Olympic silver medalist and the fastest man in the world this year, won the 110 meter hurdles.

There were further British successes for Tom McKean, who became the first man to win three successive 800 meters titles, Regis in the 200 meters, and the men's 4-by-400 relay team.

For the Soviet Union, Oleg Sakirin won the triple jump, and Rodion Gataullin won the pole vault. The Soviets were just one point behind Britain going into the final event, the relay. The British quartet of Peter Crampton, 400-meter victor Kriss Akabusi, Todd Bennett and Brian Whittle won in 3:03.16 and the Soviets came in seventh.

*(Reuters, AP)*

Reuters

**Larry Myricks soaring to long-jump victory in Los Angeles.**

### ■ Off Day for Cuban

Javier Sotomayor of Cuba and Hollis Conway finished first and second, but failed to extend their respective records Sunday at the Jack in the Box Invitational track and field meet in Los Angeles, The Associated Press reported.

Sotomayor, the first man to clear 8 feet, won the event in 7-8½, far below his world mark. Conway missed three times at 7-10½, half-an-inch higher than his American record, after clearing 7-6½.

Roger Kingdom, the two-time Olympic champion, beat Tonie Campbell in the 110-meter high hurdles. Larry Myricks, the Olympic silver medalist, won the long jump. *(See Scoreboard)*

## CHESS

By Robert Byrne

IT'S a well-known fact of chess psychology that the attacker gets the lion's share of the credit, and why not? There is nothing more stirring than a cascade of surprising sacrifices culminating in checkmate.

And what happens when the defender succeeds? For the most part he is regarded as some sort of thief who stole the glory from his opponent. Yes, he might get some begrudging admiration for a stoic stand in the face of adversity, but he is usually regarded as the beneficiary of the attacker's failure rather than a an achiever in his own right.

Every once in a while, the beauty of a defensive effort cannot be denied. Observe the remarkable and totally unexpected queen sacrifice played by the Soviet grandmaster Jaan Ehlvest against the Hungarian grandmaster Gyula Sax in the Fifth World Cup Tournament, which ended in Rotterdam, the Netherlands, on June 24.

The old Burn Variation of the French Defense, 4...de, gives up Black's toehold in the center and thus concedes White an advantage in space. Amos Burn's idea was that after 5 Ne4 Be7, he could bring about leveling exchanges that would lead to a draw. To counter this, White exchanges one piece with 6 Bf6 Bf6, rather than two by 6 Nf6 Bf6 7 Bf6 Qf6.

The trouble with allowing White superior control of space is that it gives him a free hand to develop a mating attack. After 12...Nf6, Sax once again avoided trading pieces by removing his knight with 13 Neg5, simultaneously bringing more pressure to bear on the black kingside. Black could not play 13...h6? because carrying out his supposed threat with 14...hg? would give white a decisive attack at once after 15 hg.

Sax had mobilized everything for war with 16 Rg3, and what could Black do about it? 16...Nh5? would have been a disaster after 17 Bh7 Kh8 18 Qg4!, Bg5 19 hg! Ng3 20 Qg3 Kh7 21 Qh4 Kg8 22 Rh1, followed by mate.

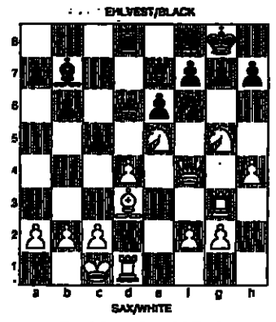
Yet this was just the moment for Ehlvest's inspired queen sacrifice, 16...Qd4! 17 Bh7 Nh7 18 Rd4 Rd4. True, he had only rook and bishop for it, but he had forseen that the accompanying initiative was to be priceless.

On 21...Bd6, he had to win a pawn with 22 f4 Rf4 because the pinned knight could not move.

Perhaps Sax should have tried 24 g6, but after 26...fg 27 Ng6 Rc4 28 Qe1 Rf6 29 Ne5 Rcf4 30 Nf3 Rg4, Black has the upper hand.

After 32...Rh1, Sax could not obtain an exchange of rooks with 33 Rh4 because of 33...Bf3! 34 Rh1 Bf4 35 Kb1 Rd1 36 Ka2 Bd5 mate. Later, after 38...Rh1, capturing with 39 Rh1 could have been answered by 39...Bf4.

After 40...Re1, Sax was about to be mated after 41 Re1 Re1 42 Qd1 Bf4, so he gave up.



EHLVEST/BLACK

SAX/WHITE

**Position after 16 Rg3**

**FRENCH DEFENSE**

| | White Sax | Black Ehlvest | | White Sax | Black Ehlvest |
|---|---|---|---|---|---|
| 1 | e4 | e6 | 22 | f4 | Rf4 |
| 2 | d4 | d5 | 23 | Rd3 | Bd5 |
| 3 | Nc3 | Nf6 | 24 | Nf3 | Rg4 |
| 4 | Bg5 | de | 25 | Qe1 | c4 |
| 5 | Ne4 | Be7 | 26 | Rd4 | Rg2 |
| 6 | Bf6 | Bf6 | 27 | Qd1 | Rd8 |
| 7 | Nf3 | O-O | 28 | b4 | Rg3 |
| 8 | Qd2 | b6 | 29 | Ne1 | Rg5 |
| 9 | O-O-O | Bb7 | 30 | a3 | Rg1 |
| 10 | Qf4 | Nd7 | 31 | Qe2 | c3 |
| 11 | Bd3 | Be7 | 32 | Qf2 | Rh1 |
| 12 | h4 | Nf8 | 33 | Rd1 | Rh2 |
| 13 | Neg5 | Qd6 | 34 | Qd4 | Rc8 |
| 14 | Ne5 | Rad8 | 35 | Nd3 | Rc4 |
| 15 | Rh3 | c5 | 36 | Qe3 | Rg4 |
| 16 | Rg3 | Qd4 | 37 | Rf1 | f5 |
| 17 | Bh7 | Nh7 | 38 | Ne1 | Rh1 |
| 18 | Rd4 | Rd4 | 39 | Qe2 | Re4 |
| 19 | Qe3 | Ng5 | 40 | Qd3 | Re1 |
| 20 | hg | Re4 | 41 | Resigns | |
| 21 | Qe3 | Bd6 | | | |

## BOOKS

**LEBANON: The Death of a Nation**

*By Sandra Mackey. Maps. 295 pages. $22.95. Congden & Weed, 298 Fifth Avenue, New York, N. Y. 10001.*

Reviewed by
Christopher Lehmann-Haupt

OF all the countries in the bewildering Middle East, surely the most difficult to comprehend must be Lebanon, with its furious welter of religions and cultures and its seemingly inevitable tendency toward ever greater disorder.

Where once it stood as a neutral oasis amid warring neighbors, today it has become the ultimate arena for violent discord. Where once it proudly served as a bridge between East and West, today it has become a pitfall for any power that dares to venture there.

In her concise analysis, "Lebanon: The Death of a Nation," Sandra Mackey explains the history of the country, revealing some of the deepest undercurrents of conflict in the Middle East. The result is an evenhanded study that humanizes the diverse groups. Mackey — who has reported on the Middle East and whose previous book was "The Sandis: Inside the Desert Kingdom" — offers lucid, dramatic histories of the Maronites, the Greek Orthodox and the Melkites among the Christian groups; and the Sunnis, the Shiites and the Druse among the Muslims.

What is especially important to recognize is that these sects are not just divided from each other; some of them also break down along class lines and even by families, with rich opposing poor and one clan competing with another.

Against this background we can see more clearly why the region's major events of the last four decades have had such a traumatic effect on the country.

Most of these events originated outside Lebanon. Each of these events had its unintended consequences, and Mackey is particularly impressive in clarifying how the ripples spread throughout the Middle East — how, for example, "no other facet of Israel's gross misadventure in Lebanon presents a clearer case of bad judgment and self-defeating policy than Israel's mishandling of the Shiite population of south Lebanon that turned a confederate against the Palestinians into a formidable adversary of the State of Israel"; or how the U.S. Navy's shelling of Suk al Gharb inadvertently provided the beleaguered Shiites with the symbol of Western evil that aroused them to retaliate by taking hostages and hijacking airplanes.

It is tempting to fix the blame somewhere — on Israel's hard-liners, on the Reagan administration's bumbling, on the flaws in the Arab character, on religious fundamentalism. But Mackey makes it clear that the history of the region is far too complex for cardboard villains.

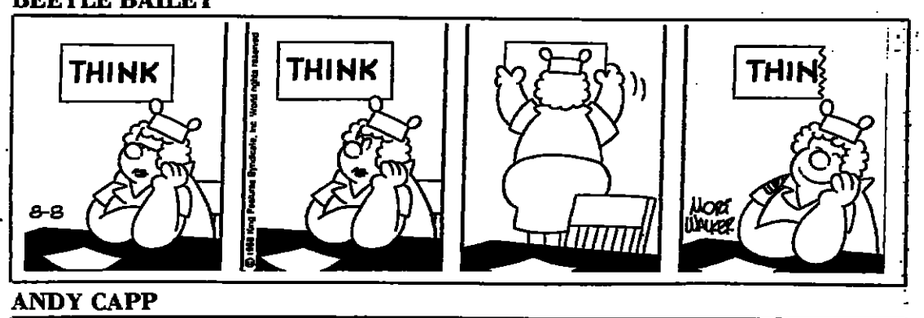
By way of solutions, Mackey has nothing to propose, except to humanize the most brutal of events and show us that behind the most fanatical behavior lies suffering and cultural misunderstanding.

Meanwhile, Lebanon lies in ruins.

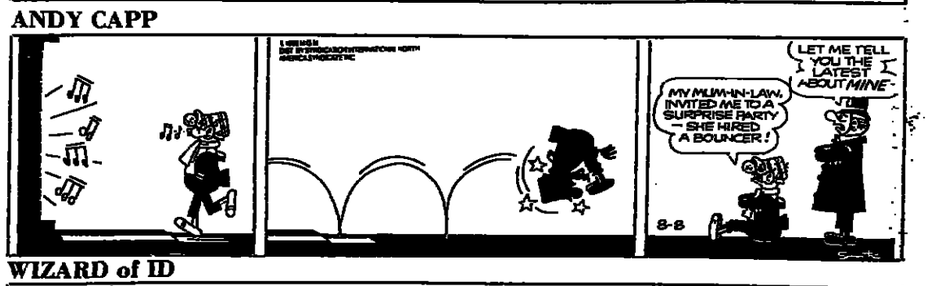
*Christopher Lehmann-Haupt is on the staff of The New York Times.*

**PEANUTS**

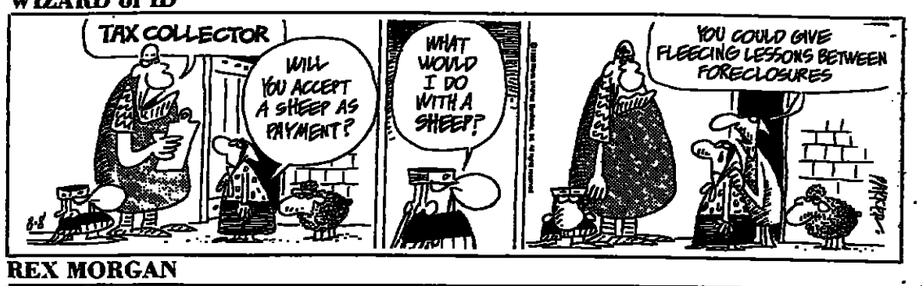
**BEETLE BAILEY**




**ANDY CAPP**



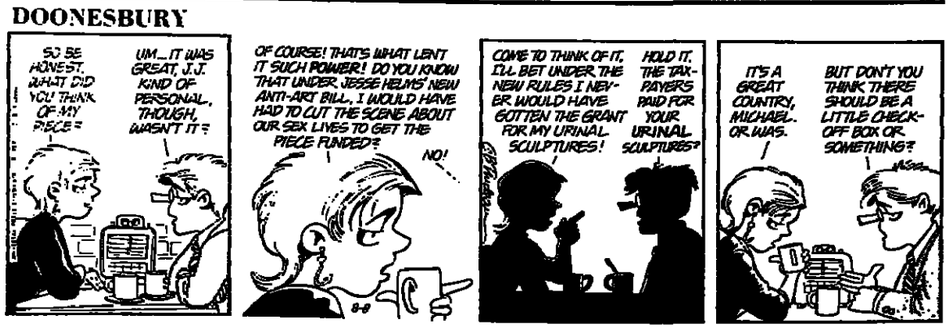

**WIZARD of ID**




**REX MORGAN**

**GARFIELD**

**DOONESBURY**




**DENNIS THE MENACE**

"HE LIVES RIGHT HERE. HE'S MY *TEDDY* BEAR."

**JUMBLE** THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

TOLCH

USTEA

WENITH

OURSEA

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ( ) ( )

(Answers tomorrow)

Yesterday's Jumbles: MAJOR VOCAL TRUISM PALATE
Answer: The sum total of our nations debt is this— "SOME TOTAL!"

## SPORTS

# Arrivederci NBA, Buon Giorno Roma

By William Drozdiak
*Washington Post Service*

IT SOUNDS LIKE a dream assignment: as much as $2 million to play about 30 games of basketball while living amid the *stunning* splendors of Rome. Tooling around town in a Lamborghini or Maserati. Post-game meals of scampi and risotto washed down with Frascati. Midnight strolls along the Tiber or in the Piazza Navona, where you can encounter some of the world's best ice cream or most glamorous women.

Those puzzled by Danny Ferry's decision to shun the National Basketball Association in favor of playing in Italy for a year may not realize some of the great experiences that may await a 22-year-old American with the imagination to expose *himself* to the finest in European civilization and debauchery, with a lot of time and money to enjoy both.

The whirlwind courtship that led to Ferry's snub of the Los Angeles Clippers in favor of Messaggero Roma virtually assures him of superstar status in a country that has embraced basketball with a fanaticism previously reserved only for soccer. Some of the American players who have preceded him in going to Europe have found life so exquisite that they decided to remain forever, in many cases marrying native women and changing nationalities.

The vaunted style and hospitality will mean virtually all doors in Italian society will be flung open. High-powered industrialists, who often serve as the sugar daddies of European teams, are all too willing to proffer financial advice, investment opportunities and endorsement ideas. With the help of such well-heeled groupies, American players in Europe have been known to plunge into lucrative sideline pursuits involving the wine-export business, veterinary medicine, radio talk shows and the modeling of high-fashion suits in Milan.

On the court young Ferry, a top-rated collegian out of Duke University, will discover some pleasant advantages in choosing the more elegant and fastidious style of the European game over the rigorous and more brutal nature of the NBA.

A greater premium on shooting and the intolerance of referees for violent jostling under the backboards will result in fewer bruises and less wear and tear on the body. That has enabled many former NBA stars, such as Bob McAdoo and Spencer Haywood, to prolong their careers well beyond retirement age in the United States.

Road trips also will prove less grueling: Short hops from Rome to Venice bear little in common with transcontinental red-eye trips, and gondola cruises afford more relaxation and stimulation than hotel lobbies in Cleveland.

With only one or two games a week on the schedule, and a very Mediterranean attitude toward practice sessions, professional basketball in Italy almost can seem like the sporting pursuit of a gentleman of leisure compared to the ruthless Darwinism of the NBA. But those appearances can be deceptive.

If your team does not win, forget about looking elsewhere to place the blame. As the prized American import earning a salary more than 10 times that of the best-paid Italian, you will be the scapegoat for losing games even if you score 40 points, pull down 20 rebounds and all but spoon-feed layups to your teammates.

If you succumb to the abundance of the dining-table temptations and put on 10 or 20 pounds in the first weeks — an affliction that strikes many of the American players arriving in Italy — be prepared for serious grumbling from the owners. If your game falls below par or your team loses, be stoic when they place you on a penitent diet of spinach and water. Or else be ready to dispense with part of your paycheck for the hefty fines when you indulge in a pasta fix.

WHEN YOU PLAY away games against gritty little teams in Sardinia, where the entire village is poised to celebrate for a week if the local team can defeat Rome and its million-dollar American, be prepared for nothing short of guerrilla warfare. Referees will be cowed into whistling you for fouls if you come close to breathing on an opponent. Maniacal fans have been known to heat up 100-lira coins with their cigarette lighters and toss them at the American star. When the crowd runs out of change, burning cigars and cigarettes may rain down on you — especially if you are causing their team to lose.

A smart American player will make the best possible effort to learn the native language as quickly as possible. But as you go through culture shock in the early phase of your stay, don't be too bewildered when scenes of Babel-like confusion surround you. Well-meaning coaches will try to bridge the communication gap with their English, and many of the Europeans are impressively fluent in the American lexicon of the sport. But don't lose your cool when, in the heat of the game, you hear the coach rabidly exhorting you to "make breakfast" when he really means you should join the fast break.

If you approach the season with a sense of adventure and respect for another culture as well as an air of bemusement, you cannot fail to have a great time as well as acquire a great education in a unique kind of life abroad. You can always come home next year to try your luck — as much as $2 million richer — in the NBA. But there is also a chance you may not wish to do so.

*The writer, foreign editor of The Washington Post, played professional basketball in Europe for six years.*

Susan Ragan/The Associated Press

Sid Fernandez struck out 10 before being chased in the eighth. The Expos filled the bases that inning and in the 10th but failed to score.

# Mets Sweep Expos to Close NL East Gap

*Compiled by Our Staff From Dispatches*

The crack of the ball off Kevin McReynolds's bat is likely to sound in the ears of the Montreal Expos for more than the second it lasted before being drowned by the New York crowd's uproar.

For it meant more than a home run, more than just the deciding run in a tight, tense and often tortuous 2-1 victory by the New York Mets in 14 innings on Sunday. The crack, after all, was like an alarm. The chase in the National League East is officially on again.

**BASEBALL ROUNDUP**

McReynolds's shot to left off Steve Frey to lead off the 14th gave the Mets a three-game sweep of the weekend series with the Expos. And with the sweep, a deficit of seven games in the National League East had been sliced to four.

The run in the 14th concluded a game of myriad plot turns, where certain runs went up in smoke and probable final innings simply stretched into further innings.

The Expos failed to push across a run in the eighth and 10th despite loading the bases both innings.

In the 10th, Randy Myers walked both Otis Nixon and Mike Fitzgerald before an infield single by Tim Raines loaded the bases and exhausted the patience of Dave Johnson, the Mets' manager.

Johnson removed his top reliever and inserted Jeff Innis, who managed to baffle the Expos completely. He got Tim Wallach to pop up on one pitch, and got Andres Galarraga to ground to short to finish the escape.

The Mets had trailed, 1-0, in the seventh before Darryl Strawberry all but dented the scoreboard in right with his 23d home run of the season to even the score.

Strawberry had had three hits Friday night in the Mets' 11-5 thrashing of the Expos in the series opener, and his run-scoring double in the eighth Saturday had been the crucial ingredient in a 3-2 comeback.

The Expos scored a run in the fourth when Sid Fernandez abruptly stopped producing strikes. With one out, he walked D'amaso Garcia, permitted a single to Hubie Brooks and then loaded the bases by walking Raines. Wallach brought a run home with a fly-out to center. Fernandez then brought an end to the inning as Galarraga popped out to center.

Despite the stifling heat, Fernandez maintained his efficiency through the next three innings, allowing just a pair of base runners, neither of whom reached second.

**Cardinals 5, Phillies 4:** In St. Louis, Jeff Parrett walked pinch-hitter Joe Magrane with two outs and the bases loaded to complete a four-run rally in the 10th. Magrane, a .158 career hitter and the Cardinals' leading pitcher, batted for Todd Worrell after St. Louis had depleted its bench.

St. Louis's rally started when Vince Coleman singled with one out and stole his 48th base of the season. Ozzie Smith walked, and Pedro Guerrero and Tom Brunansky followed with RBI singles.

Terry Pendleton, who had sent the game into extra innings with a two-out home run in the ninth, struck out. But Jose Oquendo singled to tie the game, and Parrett intentionally walked Denny Walling before facing Magrane.

**Dodgers 4, Padres 2:** In Los Angeles, Mike Marshall hit a tie-breaking, two-run double in the seventh, and Fernando Valenzuela won his first home game in seven weeks. The left-hander had lost six of his previous seven starts.

**Astros 3, Giants 2:** In San Francisco, rookie Eric Yelding lined a single to right in the eighth to drive in the winning run.

**Orioles 3, Rangers 2:** In Baltimore, Mike Devereaux hit his second game-winning home run of the season, a solo shot off relief ace Jeff Russell with one out in the 10th. The Orioles tied with one out in the ninth when Randy Milligan singled in Cal Ripken.

**Angels 6, Brewers 0:** In Milwaukee, rookie Jim Abbott pitched nine strikeouts and allowed four hits in seven innings, and Tony Armas's sacrifice fly and RBI singles by Chili Davis, Bill Schroeder and Dick Schofield gave California a 4-0 lead in the sixth.

**Tigers 4, White Sox 3:** In Chicago, a sacrifice fly by pinch-hitter Lou Whitaker capped a two-run eighth.

**Royals 3, Twins 2:** In Minneapolis, Kevin Seitzer hit a tie-breaking single in the seventh.

**Athletics 2, Mariners 1:** In Seattle, Storm Davis pitched seven scoreless innings and won for the ninth time in his last 11 decisions. Oakland took a 1-0 lead in the fourth on Tony Phillips's RBI double and made it 2-0 in the seventh on Jose Canseco's sacrifice fly.

*(NYT, AP)*

## Hurt and Losing, Clemens Fights to Stay on Mound

*The Associated Press*

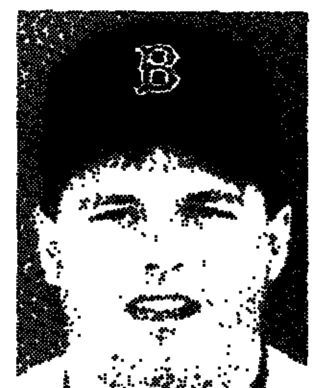
BOSTON — Roger Clemens is down, but refuses to quit.

After winning the Cy Young Award in 1986 and 1987, Clemens had a 15-5 record last season at the end of July.

But he suffered a muscle injury near the rib cage while moving furniture at home, and he hasn't been the same since.

The big right-hander went 0-5 last August, finishing 18-12 for the season. Now, with an 11-8 record this year, he is 14-15 since the domestic mishap.

And he's hurting more than ever. He complained of shoulder stiffness a couple of weeks ago, then admitted he had a slight muscle tear in the right elbow after he missed a scheduled start against Baltimore last Wednesday.



AP

Roger Clemens

Insisting he could pitch with his problem, and given medical permission to try, Clemens tested his arm Sunday against Cleveland.

He retired the first batter on a ground ball. Then he gave up two singles and hit Joe Carter, filling the bases.

Boston's manager, Joe Morgan, visited the mound to talk to Clemens after the second hit, then returned to the dugout. After Carter was hit on the left elbow, Morgan had seen enough.

Clemens attempted to wave off the manager, but reliever Dennis Lamp already had been summoned from the bullpen.

"After he gave up a couple of hits and hit a batter, there was no point in going further," Morgan said. "He's a competitor. He's strong-willed. He wants to pitch, but I could tell he wasn't right."

"He understood, but he was upset that he had to leave. We can't take a chance. If it means putting him on the disabled list to clear him up, that's what we'll have to do."

Clemens was left at home as the club flew to Kansas City for a three-game series with the Royals.

He was scheduled to be examined again Monday by Dr. Arthur Pappas, the team physician and an orthopedic specialist. Clemens has two more seasons to go on a three-year contract paying $7.5 million.

# Pirates Beat Cubs in Record Time — 18 Innings

*The Associated Press*

PITTSBURGH — It took an 18th-inning long ball by a long shot to end the longest game in Three Rivers Stadium history.

Jeff King, batting only .163, led off the bottom of the 18th with a home run off reliever Scott Sanderson, giving the Pittsburgh Pirates a 5-4 victory over the Chicago Cubs on Sunday.

The game lasted five hours and 42 minutes, breaking the Three Rivers record of 5:32 set in the Pirates' 20-inning victory over Chicago on July 6, 1980. The only longer game in the majors this season was Houston's 21-inning victory over Los Angeles on June 3, which lasted 7:14.

Sanderson, the Cubs' sixth pitcher, produced eight scoreless innings of relief before King hit his third major-league home run.

King, hitless in his first six at-bats, said he was looking for a fastball on a 3-1 pitch from Sanderson. And that's what he got.

"Every time he got behind in the count, he came in with a fastball," King said. "You have to give him a lot of credit, because he had to be getting tired. They didn't have anybody else."

Doug Drabek, who pitched 8⅓ innings Friday in the Cubs' 3-2 victory, pitched two scoreless innings for the victory, only the second for the Pirates in 10 games.

"I'm tired and hungry, but you don't feel tired and hungry when you lose," the Pirates' manager, Jim Leyland, said. "It's hard to keep everything straight in a game like that, but I think we earned it. King really crushed it, and that's a good way to end a game like that."

The Cubs had a chance to take the lead in the 16th, but Mark Grace was thrown out at the plate trying to score from second on Darrin Jackson's single. Chicago's Dwight Smith grounded out with runners on second and third and two out in the 17th.

# SCOREBOARD

## BASEBALL

### Major League Standings

AMERICAN LEAGUE

East Division

| | W | L | Pct. | GB |
|---|---|---|---|---|
| Baltimore | 57 | 52 | .523 | — |
| Boston | 54 | 54 | .500 | 2½ |
| Toronto | 55 | 56 | .495 | 3 |
| Cleveland | 54 | 56 | .491 | 3½ |
| Milwaukee | 53 | 57 | .482 | 4½ |
| New York | 52 | 59 | .468 | 6 |
| Detroit | 39 | 70 | .358 | 18 |

West Division

| | W | L | Pct. | GB |
|---|---|---|---|---|
| California | 67 | 43 | .609 | — |
| Oakland | 67 | 44 | .604 | ½ |
| Kansas City | 60 | 50 | .545 | 7 |
| Texas | 58 | 51 | .532 | 8½ |
| Minnesota | 55 | 56 | .495 | 12½ |
| Seattle | 52 | 58 | .473 | 15 |
| Chicago | 47 | 64 | .423 | 20½ |

NATIONAL LEAGUE

East Division

| | W | L | Pct. | GB |
|---|---|---|---|---|
| Chicago | 63 | 48 | .568 | — |
| Montreal | 63 | 48 | .568 | — |
| St. Louis | 57 | 50 | .533 | 4 |
| New York | 58 | 51 | .532 | 4 |
| Pittsburgh | 47 | 63 | .427 | 15½ |
| Philadelphia | 44 | 66 | .400 | 19 |

West Division

| | W | L | Pct. | GB |
|---|---|---|---|---|
| San Francisco | 64 | 47 | .577 | — |
| Houston | 62 | 49 | .559 | 2 |
| San Diego | 55 | 56 | .495 | 9 |
| Cincinnati | 52 | 58 | .473 | 11½ |
| Los Angeles | 53 | 59 | .473 | 11½ |
| Atlanta | 44 | 67 | .396 | 20 |

### Sunday's Line Scores

AMERICAN LEAGUE

New York 011 000 030—5 10 1
Toronto 000 100 50x—6 8 1
Terrell, Guetterman (7), McCullers (8) and Slaught; Stottlemyre, Henke (8) and Whitt. W—Stottlemyre, 3-5. L—Terrell, 0-2. HRs—New York, Barfield (19), Mattingly (15). Toronto, McGriff (29), Lee (2).
Cleveland 300 010 000—4 12 0
Boston 004 000 02x—6 13 0
Wojna, Yett (7), Orosco (8) and Allanson; Clemens, Lamp (2), B.Stanley (6), Murphy (8) and Cerone. W—Murphy, 3-6. L—Orosco, 1-3. HRs—Boston, Burks (8), Rivera (4).
Kansas City 010 001 100—3 7 0
Minnesota 100 000 000—2 9 0
Saberhagen, Crawford (8), Montgomery (9) and Boone; Rawley, Wayne (7), Berenguer (7) and Laudner. W—Saberhagen, 12-5. L—Rawley, 5-9. Sv—Montgomery (7).
Detroit 002 000 020—4 9 3
Chicago 000 300 000—3 4 1
Tanana and Heath; Hibbard, Hillegas (8), Patterson (8), McCarthy (8) and Karkovice. W—Tanana, 8-9. L—Hibbard, 2-4.
California 000 004 110—6 12 0
Milwaukee 000 000 000—0 4 3
Abbott, Minton (8), Harvey (9) and Schroeder; Navarro, Fossas (6), Crim (7) and O'Brien. W—Abbott, 10-7. L—Navarro, 3-4.
Texas 011 000 000 0—2 7 0
Baltimore 010 000 001 1—3 9 1
Brown, Russell (9) and Kreuter; Harnisch, Williamson (9) and Melvin. W—Williamson, 9-3. L—Russell, 5-3. HRs—Texas, Buechele (10). Baltimore, Devereaux (6).
Oakland 000 100 100—2 9 0
Seattle 000 000 010—1 7 1
S.Davis, Honeycutt (8), Eckersley (9) and Hassey; Dunne, Jo.Reed (8), Comstock (8), Schooler (9) and S.Bradley. W—S.Davis, 11-5. L—Dunne, 2-6. Sv—Eckersley (21). HR—Seattle, Cotto (6).

NATIONAL LEAGUE

Atlanta 000 000 200—2 8 1
Cincinnati 000 000 012—3 4 1
Glavine, Assenmacher (8), Eichhorn (8), Boever (9) and Russell; Leary, Dibble (7), Charlton (9) and J.Reed. W—Charlton, 5-1. L—Boever, 4-5. HRs—Atlanta, Treadway (6). Cincinnati, E.Davis (21).
Philadelphia 000 001 000 3—4 8 0
St. Louis 000 000 001 4—5 10 0
Carman, R.McDowell (9), Parrett (10) and Daulton; Terry, Dayley (8), Worrell (10) and Pagnozzi, T.Pena (10). W—Worrell, 2-3. L—Parrett, 8-4. HR—St. Louis, Pendleton (8).
San Diego 000 010 100—2 9 2
Los Angeles 010 001 20x—4 7 0
Rasmussen, Grant (7) and Santiago; Valenzuela, J.Howell (8) and Dempsey. W—Valenzuela, 6-11. L—Rasmussen, 4-8. Sv—J.Howell (24). HR—San Diego, Ja.Clark (14).
Houston 001 001 010—3 9 1
San Francisco 001 010 000—2 7 1
Rhoden, Agosto (7), Darwin (8), Da.Smith (9) and Biggio; Knepper, Brantley (7), Lefferts (7) and Manwaring, Kennedy (9). W—Agosto, 3-4. L—Lefferts, 2-4. Sv—Da.Smith (22). HR—San Francisco, W.Clark (18).
Chicago 110 001 001 000 000 000—4 14 1
Pittsbrgh 300 000 001 000 000 001—5 13 1
Pico, Lancaster (7), Schiraldi (9), S.Wilson (9), Mi.Williams (9), Sanderson (10) and Girardi, Berryhill (9); J.Robinson, M.Smith (8), Kramer (10), Heaton (13), Bair (14), Drabek (17) and LaValliere, Ortiz (10). W—Drabek, 9-8. L—Sanderson, 9-8. HRs—Chicago, Dawson (11), Dw.Smith (6). Pittsburgh, VanSlyke (5), King (3).
Montreal 000 100 000 000 00—1 11 1
New York 000 000 100 000 01—2 11 0
K.Gross, Z.Smith (8), Hesketh (10), McGaffigan (12), Frey (14) and Santovenia; Fernandez, Myers (9), Innis (10), Aase (11), Musselman (13) and Sasser. W—Musselman, 1-1. L—Frey, 3-2. HRs—New York, Strawberry (23), McReynolds (12).

### Major League Leaders

AMERICAN LEAGUE

BATTING (331 at bats): Puckett, Minnesota, .342; Boggs, Boston, .339; Lansford, Oakland, .332; Sierra, Texas, .323; Yount, Milwaukee, .320; Franco, Texas, .319; Sax, New York, .318; Baines, Texas, .315; Greenwell, Boston, .307; Browne, Cleveland, .301.

RUNS: R.Henderson, Oakland, 83; Sierra, Texas, 72; McGriff, Toronto, 71; Boggs, Boston, 69; Tettleton, Baltimore, 67.

RBI: Sierra, Texas, 81; Franco, Texas, 80; Mattingly, New York, 77; Yount, Milwaukee, 71; Carter, Cleveland, 70; McGriff, Toronto, 70.

HITS: Puckett, Minnesota, 150; Sax, New York, 142; Sierra, Texas, 139; Boggs, Boston, 138; Yount, Milwaukee, 134.

DOUBLES: Boggs, Boston, 37; Puckett, Minnesota, 33; Reed, Boston, 31; Sierra, Texas, 29; Yount, Milwaukee, 28.

TRIPLES: D.White, California, 10; P.Bradley, Baltimore, 10; Sierra, Texas, 10; Boggs, Boston, 7; 6 are tied with 6.

HOME RUNS: McGriff, Toronto, 29; Deer, Milwaukee, 25; Whitaker, Detroit, 24; B.Jackson, Kansas City, 22; Tettleton, Baltimore, 22.

STOLEN BASES: R.Henderson, Oakland, 58; Espy, Texas, 33; Sax, New York, 32; D.White, California, 31; Guillen, Chicago, 30.

PITCHING (9 decisions): Blyleven, California, 11-2, .846, 2.31; Swindell, Cleveland, 13-3, .813, 2.69; Montgomery, Kansas City, 7-2, .778, 1.41; Gordon, Kansas City, 12-4, .750, 2.88; Williamson, Baltimore, 9-3, .750, 3.08.

STRIKEOUTS: Ryan, Texas, 198; Clemens, Boston, 150; Viola, Minnesota, 138; Bosio, Milwaukee, 131; C.Finley, California, 124.

SAVES: D.Jones, Cleveland, 26; Plesac, Milwaukee, 25; Thigpen, Chicago, 24; Russell, Texas, 23; Eckersley, Oakland, 21; Schooler, Seattle, 21.

NATIONAL LEAGUE

BATTING (331 at bats): T.Gwynn, San Diego, .336; W.Clark, San Francisco, .334; Grace, Chicago, .309; Guerrero, St. Louis, .307; Raines, Montreal, .297; H.Johnson, New York, .295; Oquendo, St.Louis, .294; Mitchell, San Francisco, .291; O'Neill, Cincinnati, .287; McReynolds, New York, .285.

RUNS: H.Johnson, New York, 79; W.Clark, San Francisco, 74; Mitchell, San Francisco, 70; R.Thompson, San Francisco, 68; Bonds, Pittsburgh, 66; Bonilla, Pittsburgh, 66.

RBI: Mitchell, San Francisco, 94; W.Clark, San Francisco, 80; H.Johnson, New York, 70; Guerrero, St. Louis, 68; Murray, Los Angeles, 65.

HITS: T.Gwynn, San Diego, 144; W.Clark, San Francisco, 136; R.Alomar, San Diego, 117; Butler, San Francisco, 114; Guerrero, St. Louis, 114.

DOUBLES: Wallach, Montreal, 33; Guerrero, St. Louis, 30; H.Johnson, New York, 29; Hamilton, Los Angeles, 25; Mitchell, San Francisco, 25; W.Clark, San Francisco, 25.

TRIPLES: R.Thompson, San Francisco, 9; Roberts, San Diego, 7; VanSlyke, Pittsburgh, 7; 5 are tied with 6.

HOME RUNS: Mitchell, San Francisco, 34; H.Johnson, New York, 27; G.Davis, Houston, 24; Strawberry, New York, 23; E.Davis, Cincinnati, 21.

STOLEN BASES: Coleman, St. Louis, 48; T.Gwynn, San Diego, 33; Young, Houston, 33; H.Johnson, New York, 31; O.Nixon, Montreal, 29.

PITCHING (9 decisions): De.Martinez, Montreal, 12-1, .923, 2.91; Darwin, Houston, 10-3, .769, 2.26; Fernandez, New York, 9-3, .750, 2.66; Garrelts, San Francisco, 9-3, .750, 2.42; Langston, Montreal, 9-3, .750, 1.97.

STRIKEOUTS: Belcher, Los Angeles, 141; Smoltz, Atlanta, 139; DeLeon, St. Louis, 137; Hurst, San Diego, 128; Scott, Houston, 128.

SAVES: M.Davis, San Diego, 29; M.Williams, Chicago, 28; Franco, Cincinnati, 25; J.Howell, Los Angeles, 24; Burke, Montreal, 23.

## TRACK & FIELD

LOS ANGELES INVITATIONAL

Results Sunday from the Jack in the Box Invitational track and field meet in Los Angeles (distances in meters):

Men

100—1, Mike Marsh, Santa Monica Track Club, 10.19 seconds. 2, Slip Watkins, Sports TC, 10.20. Jeff Williams, Team Patriots, 10.23.

110 hurdles—1, Roger Kingdom, Adidas, 13.22. 2, Tonie Campbell, Bee Fit, 13.34. 3, Emilio Valle, Cuba, 13.48.

400—1, Mark Rowe, Accusplit TC, 45.13. 2, Tim Simon, Atlantic Coast Club, 45.21. 3, Roberto Hernandez, Cuba, 45.45.

800—1, Ray Brown, Atlantic Coast Club, 1:47.50. 2, Mike Macinko, Stars & Stripes TC, 1:47.64. 3, Ocky Clark, Team de Oliveira, 1:47.98.

Mile—1, Doug Padilla, Athletics West, 3:54.2. 2, John Quade, Stars & Stripes TC, 3:54.2. 3, Jeff Atkinson, Athletics West, 3:55.3.

3,000 steeplechase—1, Brian Diemer, Athletics West, 8:34.9. 2, Aaron Ramirez, Nike, 8:35.74. 3, Brian Abshire, Athletics West, 8:45.47.

High jump—1, Javier Sotomayor, Cuba, 7 feet, 8½ inches (meet and stadium records; previous record, 7-7 by James Lott, 1986). 2, Hollis Conway, Mazda TC, 7-6½. 3, John Morris, unatt., 7-4½.

Pole vault—1, Tim Bright, unatt., 18-8¼. 2, Doug Fraley, Pacific Coast Club, 18-4½. 3, Steve Horvath, unatt., 18-0½.

Long jump—1, Larry Myricks, Goldwin TC, 27-11½. 2, Mike Powell, Kiser Sport, 27-5½. 3, Jaime Jefferson, Cuba, 26-2¾.

Shot put—1, Randy Barnes, Mazda TC, 70-7. 2, Art McDermott, Stars & Stripes TC, 64-4. 3, Jim Doehring, unatt., 61-1½.

Women

100—1, Celena Mondie, Illinois, 11.37. 2, Liliana Allen, Cuba, 11.42. 3, Danette Young, unatt., 11.47.

800—1, Ana Quirot, Cuba, 1:59.54 (meet and stadium record; previous record 1:59.7, Robin Campbell, 1983). 2, Julie Jenkins, Reebok, 2:01.62. 3, Michelle Taylor, Southern California Cheetahs, 2:01.97.

Mile—1, Suzy Favor, Wisconsin, 4:27.31. 2, Patti Sue Plumer, Athletics West, 4:29.21. 3, Darcy Arreola, Cal State Northridge, 4:35.81.

Long jump—1, Gwen Loud, Stars & Stripes, 20-4¼. 2, Sheila Hudson, Nike Coast, 20-3½. 3, Julianna Yendork, Southern California Cheetahs, 19-10¾.

EUROPA CUP

Final results Sunday from the second day of the two-day Europa Cup competition in Gateshead, England:

Men

200—1, John Regis, Britain, 20.62 seconds. 2, Stefano Tilli, Italy, 20.66. 3, Daniel Sangouma, France, 20.82.

110 hurdles—1, Colin Jackson, Britain, 13.56 seconds. 2, Vladimir Shishkin, Soviet Union, 13.76. 3, Florian Schwarthoff, West Germany, 13.88.

800—1, Tom McKean, Britain, 1 minute, 46.94 seconds. 2, Peter Braun, West Germany, 1:47.53. 3, Hauke Fuhlbrugge, East Germany, 1:48.20.

3,000 Steeplechase—1, Alessandro Lambruschini, Italy, 8 minutes, 34.84 seconds. 2, Hagen Melzer, East Germany, 8:34.98. 3, Raymond Pannier, France, 8:35.33.

5,000—1, Salvatore Antibo, Italy, 13 minutes, 43.84 seconds. 2, Jack Buckner, Britain, 13:44.77. 3, Mikhail Dasko, Soviet Union, 13:47.56.

4x400 Relay—1, Britain, 3 minutes, 3.16 seconds. 2, West Germany, 3:03.33. 3, East Germany, 3:04.21.

Discus Throw—1, Juergen Schult, East Germany, 218 feet, 4 inches. 2, Romas Ubartas, Soviet Union, 209-11. 3, Rolf Danneberg, West Germany, 207-1.

Triple Jump—1, Oleg Sakirkin, Soviet Union, 56 feet, 4½ inches. 2, Wolfgang Zinser, West Germany, 54-10. 3, Dario Badinelli, Italy, 54-1¾.

Pole Vault—1, Rodion Gataullin, Soviet Union, 18 feet, 8½. 2, Bernhard Zintl, West Germany, 18-0½. 3, Uwe Langhammer, East Germany, 17-8½.

Hammer Throw—1, Heinz Weis, West Germany, 262 feet, 0 inches. 2, Igor Astapkovich, Soviet Union, 261-5. 3, Ralf Haber, East Germany, 255-2.

Final Team Standings

1, Britain, 114 points. 2, Soviet Union, 107. 3, East Germany, 103. 4, Italy, 94. 5, France, 94. 6, West Germany, 91. 7, Czechoslovakia, 62. 8, Spain, 53.

Women

200—1, Silke Moeller, East Germany, 23.00 seconds. 2, Paula Dunn, Britain, 23.45. 3, Ewa Kasprzyk, Poland, 23.72.

1500—1, Doina Melinte, Romania, 4 minutes, 5.83 seconds. 2, Yvonne Mai, East Germany, 4:06.50. 3, Svetlana Kitova, Soviet Union, 4:07.62.

10,000—1, Katrin Ullrich, East Germany, 32 minutes, 17.88 seconds. 2, Viorica Ghican, Romania, 32:41.34. 3, Angela Pain, Britain, 32:42.84.

100 Hurdles—1, Cornelia Oschkenat, East Germany, 12.74 seconds. 2, Claudia Zaczkiewicz, West Germany, 12.82. 3, Elena Chernyshova, Soviet Union, 12.85.

4x400 Relay—1, East Germany, 3 minutes, 24.08 seconds. 2, Soviet Union, 3:24.75. 3, Britain, 3:26.54.

Javelin—1, Petra Felke, East Germany, 219 feet, 7 inches. 2, Brigitte Graune, West Germany, 203-7. 3, Tessa Sanderson, Britain, 195-11.

Long Jump—1, Galina Chistiakova, Soviet Union, 23 feet, 3½ inches. 2, Helga Radtke, East Germany, 22-7¼. 3, Fiona May, Britain, 22-7.

Shot Put—1, Heike Hartwig, East Germany, 67 feet, 6¾ inches. 2, Claudia Losch, West Germany, 66-2. 3, Larisa Peleshenko, Soviet Union, 63-4¾.

High Jump—1, Galina Astafei, Romania, 6 feet, 6¾. 2, Tamara Bykova, Soviet Union, 6-5¾. 3, Heike Balck, East Germany, 6-4½.

Final Team Standings

1, East Germany 120 points. 2, Soviet Union, 95. 3, Britain, 84. 4, West Germany, 79. 5, Romania, 72. 6, Poland, 56. 7, Bulgaria, 43. 8, Czechoslovakia, 26.

## TRANSITION

BASEBALL

American League

KANSAS CITY—Activated Jim Eisenreich, outfielder, from 15-day disabled list. Optioned Matt Winters, outfielder, to Omaha, American Association.

MINNESOTA—Activated Dan Gladden, outfielder, from 15-day disabled list. Sent Randy St. Claire, pitcher, to Portland, Pacific Coast League.

National League

CINCINNATI—Recalled Mike Roesler, pitcher, from Nashville, American Association. Outrighted Bob Sebra, pitcher, to Nashville. Sent Chris Sabo, third baseman, to Nashville, American Association on injury rehabilitation assignment.

LOS ANGELES—Put Kal Daniels and Mickey Hatcher, outfielders, on 15-day disabled list. Recalled Mike Huff, outfielder, and Mike Sharperson, infielder, from Albuquerque, Pacific Coast League.

FOOTBALL

National Football League

DALLAS—Traded Scott Secules, quarterback, to Miami for conditional 1990 mid-round draft pick.

## CYCLING

Results Sunday from the 224-kilometer Grand Prix of Ameriques World Cup cycle race in Montreal:

1, Jorg Muller, Switzerland, 6 hours, 3 minutes, 39 seconds; 2, Yvon Madiot, France, 45 seconds behind; 3, Charly Mottet, France, :57; 4, Greg LeMond, U.S., 1:31; 5, Sean Kelly, Ireland, same time.

## SOCCER

WORLD CUP QUALIFYING

Venezuela 1, Chile 3

## SIDELINES

### Britain Won't Withdraw Passports

LONDON (AFP) — Colin Moynihan, the British sports minister, rejected calls on Monday to withdraw passports from sportsmen wishing to compete in South Africa.

The government is being pressed to ban cricketers and rugby players from traveling to South Africa to compete. Moynihan said the government was telling the governing bodies of sports and their athletes that it was "not in their interests" or the "interests of sport in this country" to complete in South Africa.

But Moynihan said calls from some Commonwealth countries to take away passports would be resisted. "I think that would be absolutely against the principles of freedom and the principles of democratic responsibility of this government or of this country," he said. "In a free society it is right for individuals to make the final choice."

### English Soccer to Get Seating Aid

LONDON (Reuters) — Top English soccer clubs are to be given £4 million ($6.5 million) towards the installation of more seats in the standing-room terraces of soccer stadiums following the tragedy at Hillsborough stadium in Sheffield last April in which 95 fans were crushed to death.

A private trust connected with soccer said Monday the money would be given to all first-division clubs and others with an average attendance of more than 10,000.

It was estimated that the cost of conversions at the first-division clubs and 14 others that qualified would be around £8 million.

### Mecir Reportedly Rethinking Career

PRAGUE (AP) — Miloslav Mecir, 25, the Olympic tennis champion, has refused to play in the Czechoslovak Grand Prix tennis tournament this week due to back problems, and may be thinking of retiring from tennis altogether, Czechoslovak newspapers have reported.

"Milos told me he eventually decided not to play in Prague" because of his back, Jan Kodes, director of the tournament, was quoted as telling Rude Pravo, the Communist Party daily, on Monday. Frantisek Pala, the Czechoslovak Davis Cup coach, told the Svobodne Slovo daily that Mecir "is stuck deeply in his internal problems and right now is almost thinking about whether it would not be better to give up tennis altogether."

### For the Record

**Steffi Graf registered three consecutive service breaks** in rallying from a 1-4 deficit in the second set to defeat Zina Garrison, 6-4, 7-5, in the championship match of the $200,000 Great American Bank Tennis Classic on Sunday in San Diego. *(AP)*

**John Mahaffey shot a 6-under-par 65 on Sunday to win his first PGA** event in three years by rallying to capture the Federal Express St. Jude Classic in Memphis, Tennessee. Mahaffey, who trailed third-round leaders Bob Gilder and Bernhard Langer by three shots entering the final round, took the lead for good with a 25-foot birdie putt on the 15th and padded his lead with another birdie on 17. He finished at 12-under-par 272 and earned $180,000. *(AP)*

**Deion Sanders, a prospective National Football League player** who is currently playing minor-league baseball, faced a court appearance Monday on two assault charges after going into the stands to confront hecklers at a game in Richmond, Virginia. Sanders was freed on $5,000 bond Sunday after two Richmond men filed assault complaints. *(UPI)*

**The Baltimore Orioles' top draft choice, pitcher Ben McDonald,** has decided to sign instead with a new professional baseball league about to be formed, The Sun newspaper of Baltimore reported Monday. *(AP)*

**Beth Daniel parred every hole in the final round** of the $300,000 Greater Washington Open golf tournament on Sunday to win by four strokes and collect her 15th career title. Daniel finished the 54-hole event at Bethesda, Maryland, with an eight-under-par total of 205. *(Reuters)*

# Host to Ski Event, Australia Eager to Show Off Its Slopes

*The Associated Press*

THREDBO, Australia — This country is known for its sun, sand and surf, but it also wants to be known now as a vacation destination for skiers.

This week Australia hosts what organizers hope will be the first of many World Cup skiing events.

The resort of Thredbo in the Snowy Mountains, midway between Sydney and Melbourne, will be the site of a World Cup giant slalom race on Friday and a slalom race on Saturday.

Arriving to ski Thredbo's Crackenback course are many of the world's best skiers, including Marc Girardelli of Luxembourg, the reigning overall World Cup champion; Armin Bittner of West Germany, the World Cup slalom champion; Rudolf Nierlich of Austria, the world slalom and giant slalom champion; Alberto Tomba, the Olympic gold medalist; and Pirmin Zurbriggen of Switzerland, runner-up to Girardelli last year.

Last year, Thredbo hosted a warm-up international race, the Bicentennial Cup, which was won by Nierlich.

The resort's chief executive, Wayne Kirkpatrick, is convinced the World Cup events will significantly lift Australia's international skiing profile.

"Thredbo is in illustrious company hosting World Cup races, but we are convinced we have the facilities to make it a highly successful event," Kirkpatrick said Monday.

"Events like this create national excitement, but we also see it as a chance to publicize Thredbo to skiers in Japan, Europe and North America. We hope to generate an international profile for both Thredbo and Australian skiing."

The Snowy Mountain region has Australia's highest mountain, Mount Kosciusko, which is 2,228 meters (7,310 feet) above sea level.

The region has seven resorts and 75 lifts.

Skiing began in the district in the 1870s.

The course is in good condition following heavy weekend snow, the chief of course, Roland Wanner, said Monday. "It is a very nice course that is a good test of all techniques."

Hannes Furstaner, director of the International Ski Federation, the sport's international governing body, has described the course as one of the best five in the world.

The Australian team is largely inexperienced at international competition but is led by Steven Lee, who has recorded top-10 finishes in World Cup downhill and super-giant-slalom events.

Lee had hoped Australia would host a downhill race but has been disappointed.

"The Australian public will be expecting me to do well, but these are not my disciplines," he said. "I don't really have a chance."

Malcolm Milne is the only Australian ever to have won a World Cup downhill race, at Val D'Isere, France, in 1970.

Both races will be televised live in Japan and on tape delay in the United States and Europe.

## ART BUCHWALD

# *Profit Ceiling Falls In*

WASHINGTON — In the past the vacation conversation around the guacamole dip bowl had to do with the killing everyone could make selling their second home. Prices have skyrocketed in the last few years, and houses we had bought 15 years ago for $30,000 were now selling for $2 million.

Most of us credited the surge in our paper profits to our ability to know when to buy and how long to hold on. It was a talent that only a few of us, like Donald Trump and Harry Helmsley, seemed to have. As Donald Rappaport, our local tycoon, used to say, "The secret of investing is to buy low and sell high." Wisdom like this made us all listen when Rappaport spoke.

Buchwald

But this year it's different. The real estate market is not only flat, it has tumbled and is now in the basement. Homes that originally were built for $64,000 are now selling for a measly $350,000. There are horror stories everywhere. Guggenheim built a lean-to on the pond in 1970 for $14,000, and when he put it on the market this year all he was offered was $150,000. This took place at the very moment that President Bush denied there was a recession.

□

You can imagine the nervousness around the guacamole dip bowl about how much our homes are now worth.

Payette said, "I can't believe that while I'm standing here the price of my $75,000 New Bedford ranch house has sunk from $750,000 to a half-million. What did I do wrong?"

Hawk the lawyer said, "You didn't do anything wrong. Your real estate is still worth as much as it was last year. The only trouble is nobody wants to buy it anymore. People are just sitting on their hands waiting for you to get desperate."

Rappaport was ready to speak, and we, of course, deferred to him. "We are in a period of nervousness and doubt. The reason the prices on our homes have slid so badly is that Tokyo still hasn't made up its mind about the dollar, while Gorbachev has. I'm convinced as soon as the Swiss dwarfs do something, we will see a boom in vacation houses which will blow the Bank of England's mind. Of course, it will depend on whether Governor Dukakis ever figures out what's up and what's down in his budget."

As usual Rappaport was making a lot of sense.

"Are you suggesting we hold on to our homes until we see how the Common Market is going to work?"

"That goes without saying. We must look fore and aft to interpret the violent swings of the real estate fluctuation — west to South Korea and east to Hungary. By watching their real estate prices we can get some idea of what to expect with our homes on Cape Cod."

□

The group around the guacamole dip bowl had to admit that we had never dreamed that someday we would all lose our shirts in the market. "What happened to the American dream?" Wallace wanted to know as he stuffed his mouth full of potato chips.

Durr said, "It's the crooks in Washington helping the savings and loan crooks that put us in this position. We homeowners are nothing more than pawns of bankers who live in overpriced homes in Southampton."

Then Hawk raised a very interesting question. "If the price went up tomorrow on your homes, would any of you sell?"

"Are you crazy?" replied Durr. "Where would we live?"

"If the price went down even further, would anyone sell?"

It was so quiet you could hear Rappaport's whale pants flapping in the breeze.

"So why do we care if our houses go up or down?"

"Because," said Ware, "when you are on vacation, it's very comforting to talk about money."

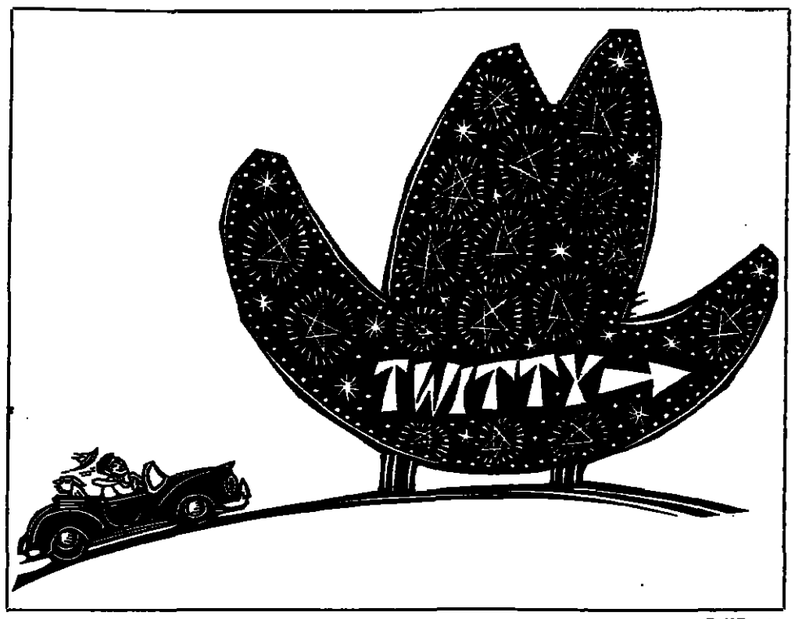
### Reynolds Theater Shuts

*The Associated Press*

JUPITER, Florida — The final curtain has come down on the actor Burt Reynolds's Jupiter Theatre with a gala performance and party. Reynolds has said he built the dinner theater because he wanted to give something back to the community where he was raised. It survived for 10½ years.

# Return to the Land of Roadside Culture

By Michael T. Kaufman
*New York Times Service*



David Frampton

FOR the 15 years that I lived abroad as a foreign correspondent, I don't think I missed too much of American culture, at least not much highbrow or middlebrow stuff. But in that time what I truly hungered for, and what I could not get enough of, was the shlock, the junk, the kitsch, the hokum, the hype and excess of my civilization.

There I would be, laying over at some luxury hotel, dining in whatever passed for the best restaurant, spending my idle hours wandering through places like the Louvre, the Prado, the Hermitage, some palais or the Taj Mahal, and often what I was thinking about and yearning for was the neon and taco life of an American dream highway.

What, if anything, I wondered, had superseded Magic Fingers, the coin-operated vibrating beds? Did they still put those paper collars around toilet seats to attest to the fact that they had been "sanitized," whatever that meant?

Were people selling water beds and Christmas tree ornaments and above-ground swimming pools on the edge of town, any town? How were fast-food menus changing? Was the enchilada moving eastward?

On one holiday trip home I had been introduced to an International House of Pancakes. Could there be anything more democratic, more inviting, more homey than the International House of Pancakes?

Boy, I thought, wouldn't it be wonderful if there were an International House of Pancakes in Warsaw or Bucharest. In places like that it would certainly bring more joy than the United Nations.

Another object of roadway musings and pining were those sites for which the only word, I think, is attractions. You know, the frontier villages, mystery spots, reptile farms, the two-headed calfs, giant balls of twine and humongous plaster dinosaurs.

It was strange, and I knew it, that I, an urbanized Easterner, would in my imaginative wanderings become a man in a pickup truck who subsisted on fried foods, accompanied by a good old dog named Redeye.

Sometime in the latter part of my foreign sojourn, the ruminative wandering gained clear-cut objectives, and I began plotting real itineraries, checking atlases and maps. For instance, me and Redeye, which I imagine as a sort of shaggy cliché of a dog with a bandanna around his neck, could head down through New Jersey stopping first at Margate to explore Lucy, a five-story elephant that was once a real estate office but is now just an elephant open to the public. On this itinerary we are heading toward Tennessee and Elvis Presley country, but there are many things to divert us — places like Clyde Peeling's Reptileland in Allenwood, Pennsylvania, which I read about in "Roadside America" by Jack Barth, Doug Kirby, Ken Smith and Mike Wilkins, published by Simon & Schuster. My wife, who does not share my nostalgia for this sort of thing, bought me this book and a collection of road maps, and I took to carrying them on my foreign travels.

I was in the Imperial Hotel in Vienna when I first learned of Reptileland, reading in "Roadside America" that it "is a respectable source of reptile fun 'n' education running regular touchy-feely shows." But what was really impressive was the notation that Reptileland is the place where the "Feed Us a Live Insect" machines are assembled. There, I read with wonder, were machines sold to shopping malls in which a quarter dropped into a slot releases a live cricket into a glass chamber filled with frogs and salamanders. They don't have such things in or around Vienna, though the opera is nice.

As I plotted and replotted itineraries, I debated whether we ought to stop at the Julius Sturgis Pretzel Company in Lititz, Pennsylvania, or the Westminster Burying Ground in Baltimore to visit the grave of Edgar Allan Poe and tour the catacombs, or take in the Luray Caverns in Virginia, which may be the only cave in the world that has a pipe organ that uses stalagmites as its pipes.

I'm pretty sure we want to spend some time at New Vrinda ban, the commune near Moundsville, West Virginia, where the Hare Krishna sect is building its palace of gold. The settlement reportedly has plans for trams, a swan skyride and elephants.

But it's the South of Tennessee and Mississippi that's drawing me and my imaginary truck and dog. It is hard to know where exactly we should begin. We just might look in on Confederama in Chattanooga, where the "World's Largest Battlefield Display of Its Kind" makes use of 5,000 toy soldiers and a 480-square-foot battle map. And I don't see how I could pass up Barbara Mandrell Country in Nashville, where, it is alleged, the singer's wedding nightie is on display.

Or how about Twitty City, 20 miles north of Nashville? It was built by Conway Twitty, who has recorded an all-time record number of No. 1 records. I have read that Twitty City includes the singer's home, the home of his mother and the home of his children, two souvenir shops, a snack bar, a stage and a multimedia auditorium-museum. But with all that Twitty City would be only a prelude to Graceland, the home of Elvis Presley.

Such a trip would have to include a good half-dozen places. The Elvis Hall of Fame in Gatlinburg, Tennessee, where there is a re-created Elvis Presley bedroom from the singer's Hollywood years, is my imagined first stop. Perhaps we'd also call at the nearby World of Illusion to inspect the holographic head of Elvis, which appears to sing.

Then on to Nashville where Elvis's gold Cadillac is on display at the Country Music Hall of Fame, along with some of his other cars. There is also an Elvis-A-Rama, an 85-foot-long, 10-foot-high curved mural illustrating Presley's life. For $3 visitors can add their signatures to the 300,000 already scrawled on the diorama.

I could, I suppose, take a detour from Nashville to Tupelo, Mississippi, to see the house that Presley lived in as a child, but where I am finally headed is Graceland, which I have long pictured in my imagination as it looms over Elvis Presley Boulevard in Memphis. I know from my readings that inside is a Jungle Room, which Elvis designed with lampshades of furry leopard skins and a ceiling covered with green shag carpet. I have seen some fancy ceilings, but never one of green shag.

Of course, this is only one itinerary. I have fooled around with lots of others. And yet I have been home for almost a year and I haven't really done too much about acting out my fantasies.

Not long ago, I went to Cooperstown, New York, to check out the Baseball Hall of Fame and the State Historical Museum. I saw a lot of good stuff. The highlight was the Cardiff giant, a nine-foot stone man, which once drew huge and naïve crowds that apparently believed or half believed that this was a petrified man.

Compared with my fantasies, I realize that that outing was pretty tame. I carried it off without pickup truck or dog, but I'm just warming up. I keep looking at ads for secondhand trucks, and I have been looking around for the right dog.

## PEOPLE

### *Roles in Westerns Get Robert Duvall a Boot*

Robert Duvall, star of the Emmy-nominated miniseries "Lonesome Dove," was among 12 recipients of the Golden Boot Award, presented by the Motion Picture and Television Fund to actors and other entertainers who have left their brand on the Western genre. In "Lonesome Dove," Duvall played a former Texas Ranger who leads a cattle drive from Texas to Montana. He also won an Oscar for his country-and-western singer role in the 1983 film "Tender Mercies."

□

Rock 'n' roll star Rod Stewart headlined a benefit for the American Cancer Society in honor of Terry Fox, a Canadian amputee who died after trying to run across Canada to raise awareness for cancer. Betty Fox, his mother, flew from Vancouver to attend the Boston event, and said it was a continuation of her son's wish to help stop the suffering of cancer victims. Fox lost a leg to cancer when he was 18. Fitted with an artificial limb, he ran 3,339 miles (5,430 kilometers) from St. John's, Newfoundland, to northern Ontario in 144 days. The run was cut short Sept. 1, 1980, by pain from his spreading cancer. He died in June 1981 at the age of 22.

□

Rudolf Nureyev, rehearsing for "The King and I," said he turned down the lead role in the musical when it was offered to him 10 years ago because he thought it would interfere with his dancing. "Now the time is propitious," the 51-year-old dancer said in an interview published in Time magazine. Nureyev will play the haughty king of Siam in the musical, which was being rehearsed in Toronto for a tour of U.S. and Canadian cities opening this month.

□

George Perle, a Pulitzer Prize-winning composer, has been named composer in residence by the San Francisco Symphony. Perle, who won the Pulitzer Prize in 1986 for his Wind Quintet No. 4, will begin the residency in September, when the orchestra plays his "Sinfonietta" for the opening concert of the New and Unusual Music series.

□

Erica Jong, author of "Fear of Flying" and other novels, has married a New York lawyer, Kenneth David Burrows.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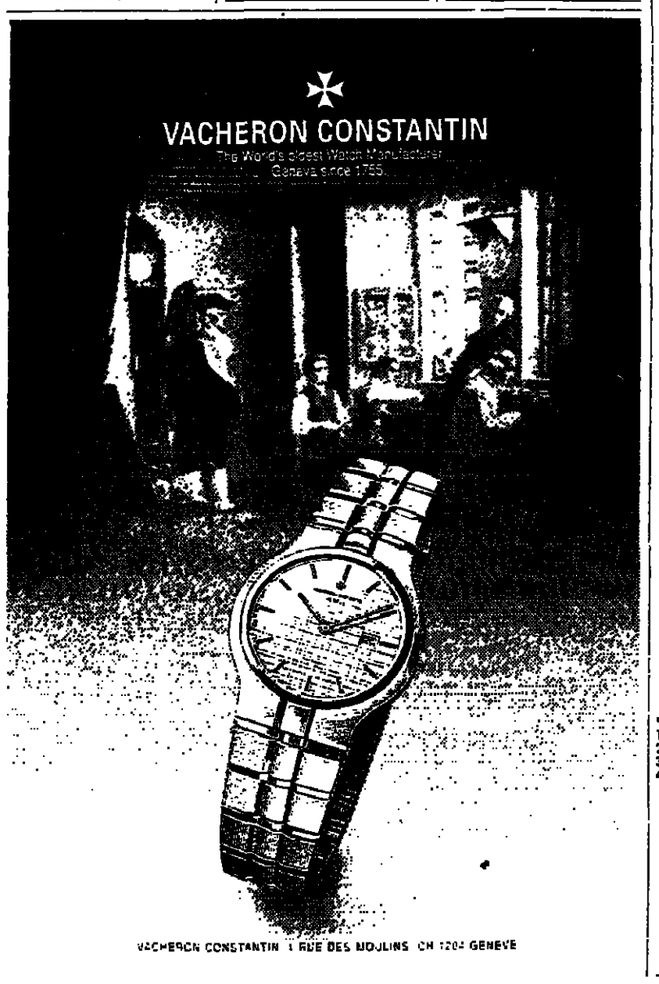

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